

Purchasing Week

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\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

P.A.'s Professional Development=Profit Building



R. T. STARK, SR.

New NAPA President

Long active in NAPA affairs, Russell T. Stark, Sr., of Burroughs Corp., has held every office in the Detroit chapter, was district vice president and financial officer of the NAPA Executive Committee. His main object as NAPA president: building the image of the P.A. Other goals: professional development and public relations. See story below.

New Shipman Medalist

One-time salesman who became a top-flight man in the purchasing field, Harold F. Jones received this year's J. Shipman Gold Medal for his success as an 'idea man' in purchasing education. Manager of the Basic Materials Div. of the DuPont Co., Jones has been active for many years in NAPA education affairs. See story page 47.



H. F. JONES

That's How National Convention Assayed Future of Profession

Chicago—Purchasing executives, assembled for their national convention in Chicago last week, came to grips with two key problems:

- Advancing the NAPA program of professional development.

- Enhancing their increasingly important role as guardian of the corporate profit margin.

Progress on the first point was made early. The membership gave NAPA planning echelons a vote of confidence by approving a dues increase from \$18 to \$25 to help finance NAPA programs in the professional development field.

On the second point, NAPA officials moved to gear future professional development, public relations, and other association activities to the purchasing profit concept. As newly elected President Russell T. Stark expressed it: "We intend to keep improving the purchasing image."

Advocates of a stronger program of professional development activities lost no time in getting started. A battery of top educational experts arrived to hold post-convention meetings with NAPA brass. Represented were Drs. Wilbur England of Harvard, Lamar Lee of Stanford, John Hoagland of Michigan State, P/W Consultant Clyde Hardwick of the University of Detroit, and others on the NAPA advisory group of university educators.

Although the convention delegates came to Chicago riding the crest of what economic analysts assured them was a steadily improving business outlook for 1961, the buyers—individually and in nearly every group meeting—directed their attention to new ways and methods to keep material costs down and company profits up. The attitude

(Turn to page 2)

Purchasing Week's Professional Perspective



CONSULTANT ROBERT C. KELLEY

Former Director of Purchases, Dresser Industries

Looks Behind the Scenes At the NAPA Convention

Beneath the tumult and the shouting, the undercurrent of thought at the 1961 NAPA convention was unmistakable. It all pointed toward purchasing for profit. The bosses back home had sent the first team with instructions to get that profit margin up or else.

A year ago at Los Angeles all you heard was inventories—get them down and automate to cut operating costs. As Dr. Jacoby of the University of California predicted, a depression was in the sky with the thunderheads ominous and unmistakable.

Today you heard very little about inventories; all the water has been squeezed out of them. Automation no longer is a big "bogey man". It was there and operating (IBM had it wired in at the Inform-A-Show for all to see). Meantime the business cycle has reversed its field and is on the way up.

This was a "pro's" meeting. Attendance was down—but only in numbers. All the companies were there, though with fewer representatives. For example, one of the biggest—which has contributed three NAPA presidents—used to send 10 men from headquarters, but this year sent only four.

So this year's convention without a slogan had a theme, but you couldn't find it by reading the program. The group meetings and seminars covered the waterfront and almost every phase of purchasing was included.

(Turn to page 54, column 4)

Steel Prices Seen Holding Steady Despite Producers' Desire for Rise

Prospects of any major steel price increase grew fainter this week when three new clues got into the reckoning:

- In Pittsburgh, more price cuts were announced—this time on seamless pipe.

- In Chicago, delegates to the NAPA convention got hints from steel sellers that selective hikes this fall would be the worst to expect.

- In Washington, the Administration began poking into steel pricing—obviously to forestall any industry price-upping mood.

The latest mill price cuts are on seamless black line pipe, the kind used in city water and gas mains. They were made by U.S. Steel and Youngstown Sheet & Tube, and come to \$18 a net ton. Only a short time before, steel-makers had cut oil country pipe via a 4% increase in discounts to jobbers. Meanwhile major stainless producers have reduced

(Turn to page 55, column 1)

Cut-Rate Buying Spawns Downgrading of Products, Quality Control Men Told

Philadelphia—H. Thomas Hallowell, Jr., president of Standard Pressed Steel Co., charged that overenthusiastic purchasing practices have caused "serious downgrading of American products in recent years."

Addressing delegates of the 15th annual convention of the American Society for Quality Control here last week, Hallowell said that in government and some industries, buyers using lowest price as the only criteria in purchasing are debasing standards because lowest price will bring lowest quality.

"Government contractors and cut-price buyers are buying more junk per dollar today than ever before. And what they're really getting with downgraded parts is built-in unreliability," he told the quality control conclave.

The Standard Pressed Steel president leveled further criticism at the role of quality control. He

(Turn to page 55, column 4)

Transportation High Among P. A. Worries At NAPA Convention

Chicago—Rising transportation costs placed a strong second (right behind the steel outlook) in the headache-sweepstakes at the NAPA convention. Now that P.A.'s generally are ordering in smaller lots—while freight charges are on the upbeat—shipping problems have grown into a double bugaboo.

Koppers Chairman Fred C. Foy, speaking at the general convention session, pinpointed the situation by estimating that 20¢ out of every sales dollar is tied up in transportation. "We're constantly aiming at getting that per-

(Turn to page 55, column 5)

Stark's Goal: Building the P.A. Image

Chicago—Building the image of the purchasing profession and the association will be the prime goal of the NAPA's new president, Russell T. Stark, Sr., Burroughs Corp. director of purchases.

"We're off and running," said Stark, who has marked a path toward "seeing ourselves as others see us."

Professional development and public relations rate high on the list of priorities, but Stark emphasized that the range of his program will include other areas.

For example, he will stress the NAPA's code of ethics. "We must not let our picture become

discolored by false conflict-of-interest and price-fixing accusations," he said.

A big boost to Stark's plans came from the dues increase. While members will not start paying the additional \$7 until next March, "the increase improves our ability to do long, rather than short range, planning," he said.

He pointed out that while current programs will go forward on budgets approved for 1961-62 at the current dues level, the scope of what can be done is vastly increased.

In professional development

(Turn to page 47, column 1)

Panorama

- **WHERE DOES CONGRESS STAND?** With mid-year almost at hand, Congress still faces unresolved issues. Pages 16-18 give you a rundown.

- **STRATEGY GAMES ARE BACK.** This week's session on page 48 shows how to win a fight over a lunch check and how to plot a campaign for a contract with a vendor.

- **USED EQUIPMENT SALES** seem to be foregoing the usual summer doldrums. For the picture, turn to pages 50 and 51.

New REA Rates Intended To Lure Small Shippers

New York—REA Express is putting new muscle into its efforts to take the LCL burden off the shoulders of the railroads.

In order to make its services more attractive to the small shipper, REA put into effect two new rate plans designed to encourage shipping practices that will cut REA's costs. The new plans are:

- **"Cube" rates.** Under this radical plan, the conventional weight-times-distance method of computing charges has been abolished. Instead, rates are de-

(Turn to page 55, column 2)



IN SESSION: Retiring NAPA President Paisley Boney officially calls the convention to order. General sessions were held in the Conrad Hilton's pennant-draped Grand

Ball Room, while forums, workshops, and other convention business activities were held in other meeting rooms and parlors scattered throughout the huge hotel.



PITCHMAN: Ed Tullock demonstrates tricks at U. S. Steel's Inform-A-Show booth. Boy is Ronald Ryan, son of J. J. Ryan, Mack-Chicago Corp. salesman.



SMILE, PLEASE: Estelle Ducharme and Chris Walden, both P.A.'s for Eastern States Sales Corp., have Polaroid pictures taken at the Humble Oil & Refining booth.

Chicago Sessions: Hard Work,

(Continued from page 1)

reflected their still cautious business optimism despite the recovery. Vendors indicated awareness of this mood in advance, and sent droves of salesmen—particularly from the steel making industry—to the meeting. This vendor activity emphasized the continuing "hard sell," that buyers still have an upper hand, and that sales management realizes more than ever that the executive authority of the purchasing department is at a new high and still soaring.

"We came to this convention in shirt sleeves," one top New York P.A. told PURCHASING WEEK. "We have no fads, no special projects like data processing to dominate our thinking—we think we're on the way with those."

The convention began and ended on a cost-cutting note (see Kelley Professional Perspective, p. 1).

In the closing session's economic panel, Dr. John K. Langum, Chicago economist and business consultant, commented that in spite of anticipated record high levels of GNP, "there is serious question about individual company performance in terms of profits." Under Secy. of Commerce Edward Gudeman emphasized the P.A. role in obtaining price stability and lower costs when he addressed the closing banquet session. Many of the workshop sessions and commodity forum meetings were directed to this point, and NAPA President Stark likewise laid it on the line when he said the P.A. is "a financial officer of his company . . . and he must obtain maximum benefits from money spent."

Seller eagerness to cater to the increasing technological skills of purchasing executives was evident at the Inform-A-Show and in conversations with



LOOKING 'EM OVER: C. L. MAIER (C), Lone Star Steel P.A. and new Dist. 2 v. p., at Sylvania exhibit with W. C. Adamek (R), American Electric Co., outgoing v. p.



CONTAINERS FORUM: Orrin E. O'Connor, chairman, NAPA Containers Committee and mgr. of purchases, Quaker State Oil, presides at session on trends in container field.



NEW EXECUTIVE COMMITTEE: Seated (l-r), G. E. Andrews, v.p., Dist. 3; retiring Pres. Paisley Boney; newly elected Pres. Stark; M. B. Eubanks, Dist. 7; J. J.

Fogarty, Dist. 9; standing, W. P. Bray, Dist. 6; C. S. Schrader, Dist. 4; W. G. Watt, Dist. 1; C. L. Maier, Dist. 2; W. T. Naylor, Dist. 8; D. A. Cook, Dist. 5.

Hard Talk—Hungry Salesmen

vendor representatives. New products especially were stressed by them. Expectation of higher prices and determination to oppose them was evident everywhere. But attempts to talk price—particularly with the steel salesmen—produced little in the way of information.

"We're leery about talking price now in our business," a top official for a big Midwest steel supply company said. "It's too dangerous."

P.A.'s agreed that the vendor hard-sell at the convention was merely an extension of what they get every day at the home office. "Salesmen are really pushing and it isn't limited to this convention," said an aluminum P.A.

Although transportation did not appear on the program, it evoked many comments from P.A.'s who said they were engaged in various programs aimed at those costs. The year-long bugaboo of identical bids got no attention except in passing reference by several speakers who said purchasing men had better adhere closely to their code of ethics or they will get an unnecessary black eye.

Foreign buying again came in for its share of attention, but it was far less an emotional issue than at previous sessions of NAPA.

The convention emphasis was on "new dimensions" of purchasing (see Renard story, p. 19) and how to move toward them through increasing economic, technical, and performance savvy.

It was on this note that a group of university professors from the NAPA advisory committee of educators gathered here for an extra day and a half of planning with Stark and other NAPA officials. Their main purpose: working the new professional development program into existing association courses, and the extent to which NAPA will aid college efforts.



INTO THE ACT: J. T. Tierney, Jr., chairman, Dist. 7 Professional Development Committee, uses skit to demonstrate how P.A.'s should perform in buying situation.



VALUE ANALYSIS WORKSHOP: H. E. Eastman, corporate purchasing administrator, Beckman Instruments, gives pointers on VA at after breakfast workshop.



SCRAP WORKSHOP: Clinton Bishop (standing), former vice president of Dist. 5, with F. G. Buchheit, Walter Roth, and Peter Young at another workshop session.

Off Hours: Sightseeing, Socializing, Shopping

The business-like convention of the NAPA has its lighter side, and the 500 wives who accompanied their husbands, as well as the 1,900 P.A.'s who registered for the sessions, took full advantage of the lively round of activities on the entertainment calendar.

From the Early Birds' Dinner with its Gay Nineties entertainment to the gourmet cookery lectures, delegates and their wives had a host of opportunities to relax from the hustle-bustle of the regulation convention sessions, forums and workshops.

The Conrad-Hilton's ice show drew many delegates, as did the Chicago Association dance. In addition to the lectures by Frank Pope of the Antoinette Pope School of Fancy Cookery, the ladies were treated to luncheon at the Polynesian Village where they were entertained by Sulie Harand, musical dramatist, with selections from "The Flower Drum Song."

Vendors' hospitality suites were well attended, and there was the usual crush of sightseeing, ball games, and other Chicago attractions.

But the underlying seriousness of the convention couldn't be entirely escaped, even in these lighter moments. Many delegates skipped regular convention sessions, for example, but not for pleasure—they took the opportunity to visit vendor plants in the Chicago area.

Inform-A-Show was packed at almost any hour. Crown Zellerbach and IBM received awards for the most outstanding displays; Scott Paper, Chain Belt, and Bell & Howell got honorable mention.



ALL ABOARD: Conductor summons P.A.'s and wives to Early Birds' dinner in the hotel's Grand Ball Room. Nostalgia motif ranged from Roaring '20s to Gay '90s.



PLANNING ITINERARY: Oscar Mindrup, of Chicago Assn., points out interesting spots for visitors to see.



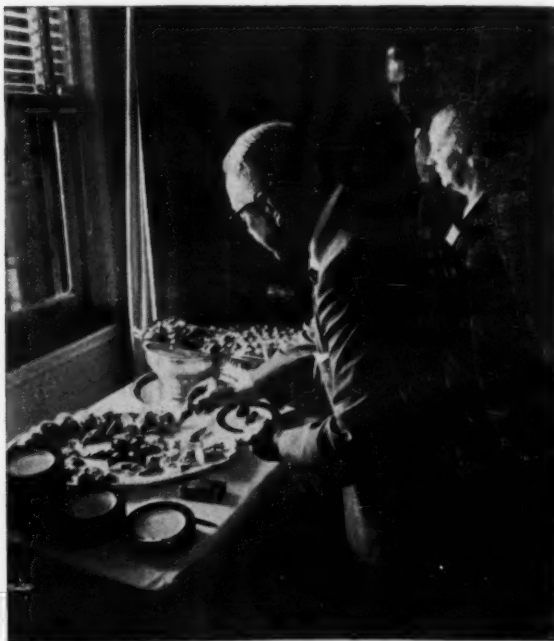
READY TO DINE: Harold Berry, program chairman, and Mrs. Berry are among Early Birds.



GREETINGS: Vera Koenke, P.A. at Concordia Teachers College, offers welcoming gift to conventioners.



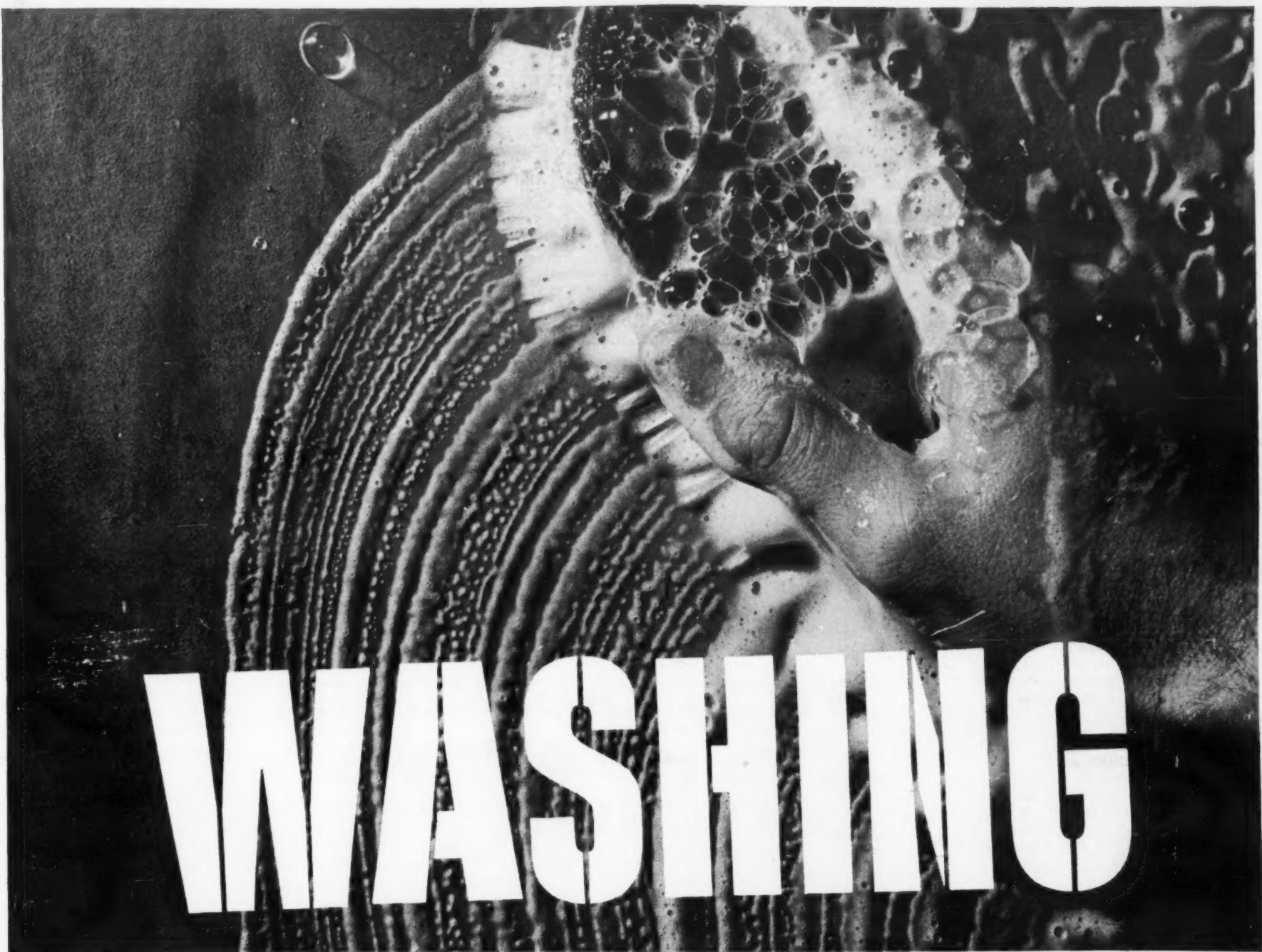
SIGHTSEEING: Bus trip takes wives to Polynesian Village while P.A. husbands hold business sessions.



HOSPITALITY SUITE: Olin Mathieson buffet table draws hearty response from hungry P.A. delegates.



CHARMING P.A.: Shirley Valentine of Davies Young Soap Co., Dayton, smiles during dance intermission.



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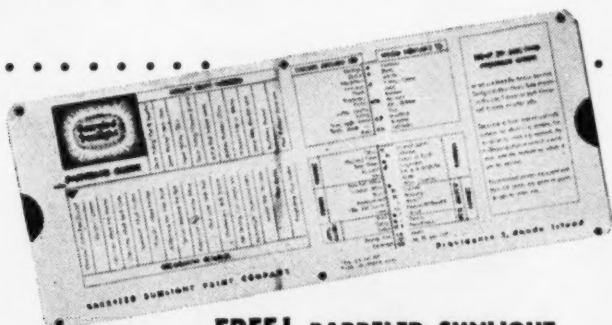
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Midwestern Gasoline Price Boosts Herald Nationwide Seasonal Upturn

Dallas—Price increases of 1/2¢ to 1¢/gal. for gasoline in the Midwest last week marked the beginning of the annual seasonal upturn for gasoline tags.

The price increase restores a contra-seasonal tag cut of 1¢/gal. in the Midwest area in early May when the industry was plagued by excessive gasoline inventories. Since then, however, gasoline stocks have been dropping sharply. Even before the heavy Memorial Day weekend demand, gasoline inventories had dropped 5.6-million barrels, or over 3 1/2%, from early month levels.

Right now the Midwest is the only section of the country where gasoline prices are running above year-ago quotes. The drop in gasoline stocks, however, plus the traditional upsurge of summer demand indicate that the Midwest price rise may soon spread to other areas of the country.

Price Briefs

Tall Oil Fatty Acid—Hercules Powder Co. is boosting tags 1 1/2¢-2¢/lb. effective July 1. Alkyd grade goes from 5 1/2¢ to 7¢/lb. in tankcars, f.o.b., freight equalized.

D.D.T.—Competition is forcing leading producers to reduce prices of this key insecticide by 2¢/lb. D.D.T. flake in car or truck load now goes for 21¢/lb., delivered—down from the previous 23¢/lb.

Molybdenum Chemicals—J. T. Baker & Co. is boosting prices following the recent price hike in the metal. Increases range from 10¢/lb. to 13¢/lb. and cover ammonium molybdate, sodium molybdate, and molybdic acid.

Polyethylene—Competition is forcing major firms to follow the lead of Hercules Powder in reducing quotes on high density polyethylene. Cuts average 3¢-5¢/lb.—with new prices ranging from 32¢/lb. to 43¢/lb. depending on grade.

Inventories Rose in April, Commerce Dept. Reports

Washington—Inventories of manufacturers and trade firms rose \$100-million in April, reports the Commerce Dept's Office of Business Economics. The entire rise was in manufacturing. Stocks of trade firms remained unchanged.

The rise in total business stocks was the first since the middle of 1960.

The April increase in manufacturing inventories was confined to nondurables, with further reductions noted in durable goods inventories. Stocks of wholesalers and retailers were virtually unchanged from March.

In retail trade, a small decline in auto stocks was offset by a slight rise in inventories at non-durable goods stores. The small reduction in auto inventories at the retail level was in sharp contrast to heavy liquidations earlier in the year.

That would include the East Coast, where keen competition has sparked price cuts in some areas and prevented price increases in others. Last week, for example, Mobil cut its dealer tank-wagon prices in Massachusetts, Rhode Island, and Connecticut by .8¢/gal.; Mobil and Esso shaded these same prices in Long Island by .3¢/gal.; and Esso was forced to rescind a price increase it had posted the previous week in North Carolina.

This Week's Scrap Prices

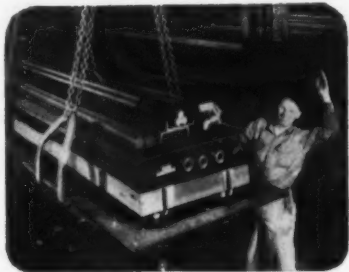
	June 7	May 31	Year % Yrly Ago Change
Steel, #1 hv, dlvd Pitt, ton.....	37.00	35.00	31.00 +19.4
Steel, #1 hv, dlvd Clev, ton.....	34.50	33.50	32.00 + 7.8
Steel, #1 hv, dlvd Chic, ton.....	38.00	37.00	29.00 +31.0
Copper, #1 wire, dlr buy, fob NY, lb.....	.255	.26	.235 + 8.5
Copper (hv) & wire mix, dlr buy, fob NY, lb.....	.235	.245	.205 +14.6
Brass, light, dlr buy, fob NY, lb.....	.145	.15	.105 +38.1
Brass, hv yellow mix, dlr buy, fob NY, lb.....	.145	.15	.115 +26.1
Alum (cast), mixed, dlr buy, fob NY, lb.....	.10	.10	.110 - 9.1
Alum (sheet), old clean, dlr buy, fob NY, lb.....	.095	.095	.110 -13.6
Zinc, old, dlr buy, fob NY, lb.....	.035	.035	.040 -12.5
Lead, soft or hard, dlr buy, fob NY, lb.....	.07	.07	.083 -15.7
Rubber, mix auto tires, dlvd Akron, ton.....	11.00	11.00	12.50 -12.0
Rubber, synch butyl tubes, East, dlvd lb.....	.063	.063	.083 -24.1
Paper, old corrug box, dlr, Chic, ton.....	16.00	16.00	15.00 + 6.7
Paper, #1 mixed, dlr, NY, ton.....	1.00	1.00	1.00 0
Polyethylene, clear, dlr, NY, lb.....	.07	.07	.11 -36.4

Japanese Cut Transistor 'Export Guidance' Prices

Tokyo—The "export guidance price" on transistor kits set by the Ministry of International Trade and Industry will be reduced by 99¢ on June 12. New price for kits consisting of six transistors and one diode will be \$1.60.

MITI also said the system for granting discounts on large consignments of kits for export will be abolished "in principle." Up to now, it has been the practice of manufacturers and exporters to cut 20% to 30% off list price for consignments of more than 10,000 units.

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And backing up the size and diversity of stocks are these important services: certified quality controls; expert technical help; industry's closest cutting tolerances; dependable, on-time delivery.

Take a quick tour of Ryerson on these pages, then contact your Ryerson representative for details.



Trucker Rate Move Draws Host of Protests

Washington—Shippers groups, trade associations, retailers, and freight forwarders have deluged the ICC with protests over a proposal by the Eastern Central Motor Carriers Assn. to subject shipments of 300 lb. and less to a "constant charge" method of rate assessments.

The "constant charge" system was ticketed to go into effect today.

The constant charge system would ignore the classification system and formulate rates for smaller shipments solely on the

basis of weight and distance. It is part of a proposed increase by Eastern Central Carriers in LTL and any-quantity traffic weighing less than 2,000 lb. and truckload or volume commodity-rated traffic.

Among those protesting are the National Industrial Traffic League, the American Retail Federation, the National Small Shipments Conference, the Manufacturers Assn. of Connecticut, the Southern Traffic League, the American Cotton Manufacturers Institute, and

other Southern textile groups, and 10 freight forwarders, among them Acme Fast Freight, Central States Freight Service, and National Carloading Corp.

The General theme of all of the complaints was that the constant charge scheme would undermine the classification system. The freight forwarders called it "one of the most alarming and one of the most unreasonable and destructive rate-making proposals with which the freight forwarding industry has ever been confronted."

Purchasing Performance Workshop Proves Big Attraction at Convention

Chicago — Purchasing performance proved a popular NAPA convention drawing card, exacting questions from 200 listeners at an after-breakfast workshop.

Harry J. Moore, director of purchasing at IBM, New York, and Walter J. Brooking, director of purchasing at Foote Mineral Co., Philadelphia, explained their techniques for marking purchasing progress.

Moore argued for the quanti-

tative, statistical approach to performance measurement. However, the numbers to watch shouldn't be the usual dollar cost per purchase order or orders processed per buyer, he said. "They are only indirectly measuring performance. They are of some value, but we still feel they aren't getting to the heart of the matter, a measure of purchasing output."

Output is the way manufacturing management measures performance, Moore went on, and purchasing should try to develop a way of expressing it. He explained the IBM approach which uses a purchased goods cost index. This is an average cost of the item over the previous six to nine months, and current buys are expressed as a percent of the average. Thus an index of less than 100 would mean that purchasing had lowered materials costs; above 100 would mean that costs had exceeded the historical average.

Moore noted that data processing equipment is a big help in preparing this kind of report, but not completely essential. Performance can also be shown on a cost index graph which could be maintained by hand, or by buyer, by vendor, or end-product.

Brooking presented a simple check list or audit method that concentrates on the qualitative aspects of the purchasing job.

"A checklist reminds us of the important facts about our job that we or others take for granted," said Brooking. "If we don't define what needs to be done, things go from day to day and nothing will be done."

International Air Rates On Parcel Post Revised First Time in 13 Years

Washington—International air parcel post rates have been re-adjusted for the first time since 1948, the Post Office Dept. announced.

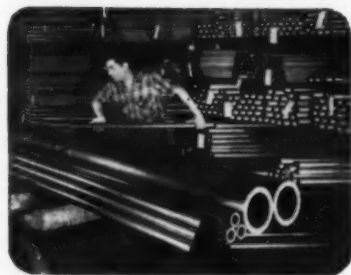
The new rates provide generally for higher charges on light parcels and lower charges on heavier ones. They will become effective July 1 to 156 foreign destinations.

For example, the rate to France now is \$1.22 for the first 4 oz. and 44¢ for each additional 4 oz. Under the new schedule, the rate for the first 4 oz. will be raised to \$1.89, but the charge for each additional 4 oz. will be reduced to 42¢.

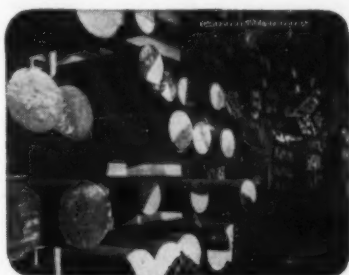
An even bigger reduction is seen in the case of rates to Australia. Here the charge for the first 4 oz. will be raised only 4¢—from \$1.62 to \$1.66—while the rate for each additional 4 oz. will be cut from \$1.27 to 76¢.

In announcing the changes, the Post Office reported that use of international air parcel post has been rising steadily. In 1949, 750,000 lb. was shipped via this service, compared with 2¼ million lb. last year.

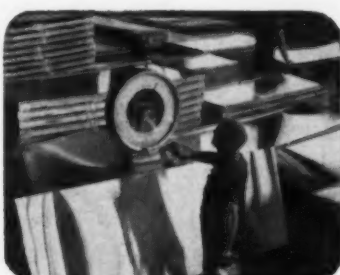
Gross revenue from the service was about \$6-million in 1960—some \$500,000 less than costs. Under the new rate schedule, it is expected that revenues will rise sufficiently to meet expenses.



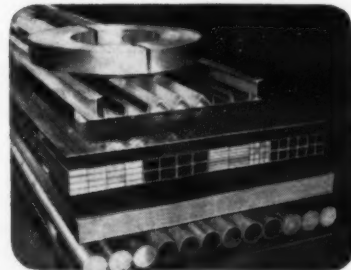
TUBING & CF BARS—Tubing: seamless and welded mechanical; structural; hydraulic cylinder & fluid line; Ledloy® 170. Bars: shafting, machinery steel, accuracy and screw stock, including fast-machining Ledloy 375 and 300.



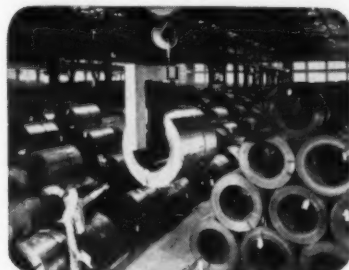
ALLOY STEEL—8-step certified quality program assures riskproof alloys—case-hardening, direct-hardening heat-treated alloys; leaded alloys, including fast-machining Rycut® steels; aircraft quality alloys; etc.



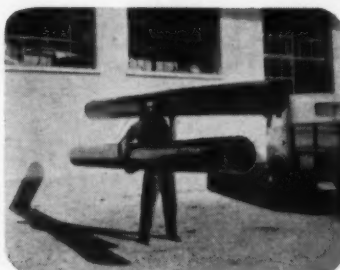
STAINLESS STEEL—2351 sizes, shapes, types and finishes in sheets, plates, bars, tubing, pipe and fittings, etc. All certified to meet ASTM, SAE, military, DuPont or GE specifications. Check in for fast stainless service.



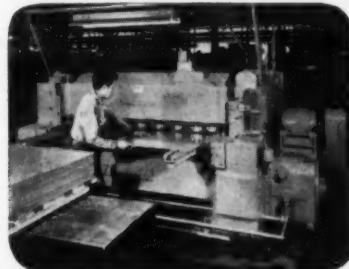
ALUMINUM—Nation-wide service on Reynolds aluminum includes all mill products: sheets, plates, tubing and pipe; wire rod and bar; structural and extruded shapes; construction products for buildings and highways.



SHEET & STRIP—More than 20 kinds of stock sizes—or we can cut sheets to your order with latest shears, slitters and cut-to-length lines for faster service. Also strip coils, etc. Call us for all your sheet and strip requirements.



INDUSTRIAL PLASTICS—Ryertex-Omicron PVC pipe, tubing, sheet and rod conquer more than 281 corrosives. Also rigid Kralastic and flexible polyethylene pipe and Ryertex® laminated phenolic resin plastics.



MACHINERY—More than 3800 types and models of metal-fabricating equipment for bending, braking, drilling, forming, hoisting, pressing, punching, rolling, sawing, shearing, threading and welding.



BE METALLOGICAL—All the plus values of our products and service add up to giving you "optimum value for every purchasing dollar. Whatever you need—steel, aluminum, plastics, machinery—be Metallogical, call Ryerson.

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TOTING THE SCORE: Credentials Committee counts ballots on dues question, constitutional revision, and other issues at the convention.

Highlights and Sidelights of the 46th

Dues Vote Pleases Boney

Chicago—"All of a sudden I've grown 10 feet tall." That's how retiring NAPA President Paisley Boney summed up his reaction to the membership approval of an association dues increase to finance NAPA expansion in professional development and other programs.

The endorsement was regarded by convention delegates as a vote of confidence in Boney's policies because it gave him one

of the things he had worked hardest for in his drive to "keep NAPA on the move."

Addressing a general convention session, Boney thanked "from the bottom of my heart all the NAPA workers who have worked their heart out for this thing."

New Constitution

On other NAPA constitutional

changes, the membership voted "overwhelmingly in favor" of adoption of a newly revamped constitution and bylaws which association officials said needed "streamlining" in the technical and legal aspects of the documents.

Academic NAPA memberships also were approved. This plan would give educators teaching in purchasing free NAPA affiliation.

But the vote went against removing a present requirement in bylaws that NAPA presidents and vice presidents be U.S. citizens.

2,400 Registered

Convention registration totaled over 2,400, including delegates' wives, who this year were treated to a purchasing-oriented program of their own. Speakers filled the ladies in on the latest economic situation, NAPA programs and policies, and the psychology of "understanding your man." The feminine flavor of the program was underscored, however, by an afternoon demonstration of fancy cookery by a leading Chicago chef.

Professional Development

More than 300 delegates packed the convention's Professional Development Workshop, a sign that NAPA members are seriously interested in digging into the association's expanded professional development program. "The dues referendum stimulated people into thinking about what their association can do," said Marshall G. Edwards, who is leaving his job with the Storkline Corp. to help direct NAPA activities in professional development and other areas at the association's national headquarters.

Edwards indicated that many of the participants in the convention workshop had not been active committee members at local associations but were attracted to the program by the dues referendum outcome. The convention workshop session, billed as the "Pro-D Parade of Ideas" gave its attentive audience a broad variety of suggestions on how to develop professional development programs and techniques.

EDP Workshop

Emphasis on data processing was somewhat less this year than at the 1960 convention, but P.A.'s crowded a workshop session aimed at showing how purchasing must be coordinated with other company departments in an EDP system. Harold C. Plant, of RCA's Data Processing Div. stressed the management report aspects of data processing and said that computers provide U.S. industry with a strong weapon against foreign competition.

IBM Purchasing Administrator William C. Herciga of Endicott, N.Y., detailed how data systems speed processing of

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Fort Howard Super Singlefold Cabinet



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Annual NAPA Convention in Chicago, June 4-7

paperwork and attain clerical savings.

Welcomed by Mayor

Chicago Mayor Richard J. Daley, in his welcoming address, stressed the need for more training for buyers, particularly those in local and state governmental positions. "It has been said that purchasing agents should be economists, lawyers, engineers, salesmen, and so forth," said Daley. "The P.A. must be all of these."

Leasing Discussed

The trend toward leasing of capital equipment and rolling stock will continue upward for many years. That was the consensus of a panel at an after-breakfast workshop on "lease-or-buy." Moderated by Joseph G. Smith, Pittsburgh Steel Co. vice president-purchases, the workshop provoked a lively discussion period on the pro's and con's of leasing.

Hits Government Meddling

"The government must create a climate in which business will be encouraged, not harassed," said Fred C. Foy, Koppers Co. chairman, in a general session



FRED C. FOY

speech hitting at governmental meddling in the economy and extensive policing of prices. "What is the difference between following a fair price and leading a fair price?" Foy asked in a reference to a government plan to scrutinize industrial price leadership.

R&D in Textiles

A man-made fiber with all the desirable qualities of cotton is a new product of the near future, according to Thomas N. Ingram, executive vice president of the North Carolina Textile Manufacturers Assn. Ingram, speaking at the NAPA Textile Forum, cited examples of textile research and exhibited several of the newer textile products with unique properties. R&D in textiles is a major defense of the textile industry against its chief problem, foreign competition, he said.

Inform-A-Show Popular

A steady stream of visitors

kept Inform-A-Show exhibitors busy from the Sunday opening right through until Wednesday. Fifty-nine firms participated in the show, with steel producers, paper and container manufacturers, electrical products, and petroleum firms dominating the industry mix presented. Emphasis was on cost-saving applications, new processes, and materials competition. Exhibitors concentrated more on practical demonstration or presentation of products, rather than

souvenir gimmicks to attract attention.

Scrap Prices Seen Rising

Scrap prices will move up over the balance of the year, buyers of scrap agreed at an after-breakfast workshop, and the big problem dealers face is holding down costs. "As freight rates and the cost of labor increase, the minimum price for which scrap can be handled will tend to in-

crease," warned Walter Roth, Luria Steel & Trading Corp. president.

Make-or-Buy Advocated

Charles H. Percy, Bell & Howell president, declared a "strong make-or-buy policy kept us in the optical business against inroads of foreign-made products." In a convention address, Percy said B&H set up factories in competition with some sup-



CHARLES H. PERCY

pliers to attain cost savings. Percy also said "tough buying is a necessary requisite to keeping down inflation."



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Management Memos

Life in the Workers' Paradise

According to Marxist theory, greed and crime grow naturally from the injustice and exploitation that are an inherent part of the capitalist system. Under communism, the Soviet man will find his greatest joy in unselfish labor for the benefit of society. While striving constantly to improve himself, he will volunteer for the toughest jobs and will cheerfully extend a helping hand to his less skilled comrades, without thought of reward. Or so the theory goes.

Unhappily, the reality—as is so often the case—bears little resemblance to the planners' dream of a more perfect world. For the fact is that the typical Russian is still just as interested in making a ruble as the next fellow—and just as broadminded about how he does it. By its own admission, the Soviet Union has its own share of price-gougers, embezzlers—and worst of all from the Communist viewpoint—stubborn practitioners of private enterprise.

According to the McGraw-Hill Moscow News Bureau, there is strong evidence that the problem has reached major proportions. No less a personage than Roman Rudenko, Procurator General of the USSR, has made public reference to it. And the party-controlled press documents such cases as these:

- A group of employees in a Kiev chemical plant stole enough ingredients to produce and sell 459 tons of dyes worth more than 400,000 rubles before they were caught. (One ruble is worth \$1.11 at the official rate.)

- Party and government officials in the Dagestan Republic were caught using state funds and materials to build private homes. The guilty included such figures as the republic's Minister of Health,

Deputy Minister of Internal Affairs, and the head of the building trust.

- City dwellers frequently use their "week-end" garden plots for illicit gain. At Riga, one enterprising townsman made a profit of 23,000 rubles a year from produce grown on less than two and one-half acres.

- Officials of some collective farms and industrial enterprises, according to Premier Nikita Khrushchev himself, falsify reports on fulfilling production goals so as not to miss out on bonuses.

The Kremlin is pushing a deadly serious campaign against the so-called "parasites and swindlers." For example, the Presidium of the Supreme Soviet has just issued a decree providing for execution by firing squad for embezzlers of state or public property on "a particularly large scale," as well as for counterfeiting and certain crimes of violence.

The Soviets say the parasites and crooks don't represent "even the tiniest threat" to the foundations of the economy. However, the severity of the new measures suggest fear of a potential crisis in Communist "morality"—a crisis that could have far-reaching implications.

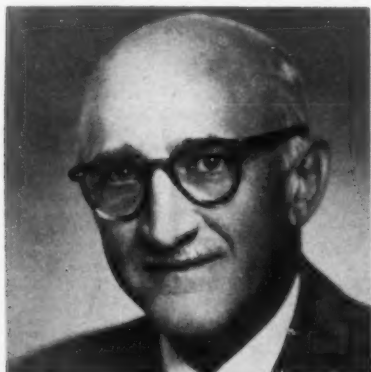
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Short Pointer

Computer engineers have coined a new term, "nanosecond," to denote time units of less than a millionth of a second. The word will not supersede more precise units of measurement, such as micro (one-thousandth) or micro-micro (one-millionth) second, but will merely be used to delineate the more shadowy regions of the fourth dimension, where only the computer wizards are really at home. The word, incidentally, derives from the Greek nanos, which means dwarfish.

Purchasing Parade

Personal glimpses of P.A.'s as they march by in the news



The new Asst. Secretary and long-time General Purchasing Agent for Mallinckrodt Chemical Works at St. Louis, Mo., **G. C. Bradshaw** (pictured above), has a lilting past: He was one of the pianists in Paul Whiteman's band.

Today he still plays for fun, but meantime has broadened his activities to include: golf (as a 20 handicapper); civic affairs (as a member and president of his community school board for the past 12 years); and unofficial supervisor of his two daughters and six grandchildren in Phoenix and Minneapolis.

■ ■ ■

Here's a P.A. with some sharp slants: **C. E. Hubbell**, Wabash Railroad's new Manager of Purchases and Stores (Decatur, Ill.), repairs and collects antique guns. A combat air crewman for three years during the World War II, he also keeps an eye on trap shooting and golf.



The horrors of Nazi concentration camps, revived via the Eichmann trial, were a terrible fact in the life of **Kurt J. Baum** (above), Director of Purchasing and Personnel of Labelon Corp. (Canandaigua, N. Y.) and new president of the P.A.'s Assn. of Rochester.

When you meet Baum today, you see no traces of his nightmarish past, but on his arm is an Auschwitz concentration camp number, which tells a dark story of years behind barbed wire. A native of Stuttgart, he was arrested in 1940, survived five years of Auschwitz, Buchenwald, and other camps, finally was liberated by the Americans. Baum and his wife came to this country in 1950.

■ ■ ■

A partner and P.A. of **McCulloch & Sons** (Portland, Ore.), and past president of the P.A.'s Assn. of Oregon, **W. W. McCulloch**, has been elected ninth vice president of the American Bowling Congress.



P.A.'s needn't be grim: **P.A. Robert W. Wittenmyer** (above) of Daybrook Truck Equipment Div. of Young Spring & Wire Corp. (Bowling Green, Ohio), has just been elected "Boss of the Year" by the Wood County (Ohio) Chapter of the National Secretaries Assn.

Wittenmyer also has been Mayor of Liberty Center, Ohio, for the past six years.

■ ■ ■

Charles Pearce, Purchasing Agent at Osborne Electronics Corp. (Portland, Ore.), is a former naval pilot who now gets his kicks out of piloting Little League teams. In the past several years he's coached two or three Little League nines and is now vice-president of the Interstate Little League in Portland. Off season, he coaches a basketball team of 6th graders at the YMCA.

Pearce is former president of the P.A.'s Assn. of Oregon and past national director of the NAPA.

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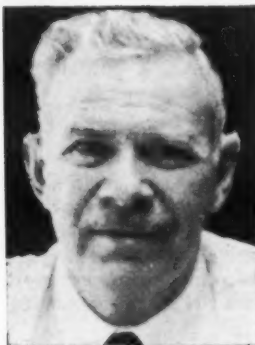
Purchasing Week Asks

What guides would you give a new purchasing man on socializing with salesmen?



P. J. Morgan, director of purchasing, Continental Screw Co., New Bedford, Mass.:

"I would tell him it is part of his job, subject to this general advice: (1) don't forget the objective is a friendly personal relationship based on mutually advantageous business dealing; (2) pay your share of the cost to avoid any implied obligation; (3) don't let it interfere with the rest of your job; (4) remember: 'Good business makes good friends; good friends do not make good business.'"



P. L. Bierce, purchasing agent, Wagner Sign Service, Inc. (changeable letters & mounting equip.), Chicago:

"For the new person, moderation should be the basic rule. Expensive dinners, cocktail parties, shows, or any other form of entertainment that may obligate the purchasing agent should be strictly avoided. Payola comes in many sinister forms. A courteous relationship can be advantageous to both parties but under no circumstances should it be allowed to hurt the purchaser's or vendor's company."



E. J. Givens, purchasing agent, New York Wire Cloth Co., York, Pa.:

"I believe in following the basic rules of human relations and a friendly nature. Handshakes, lunches, and golf can contribute much and will secure above average performance from vendors on delivery, quality, etc."

This may not be the case if your company is just another one on the supplier's schedule. However, the buyer must always behave with dignity, self-restraint, and control."



J. F. Brennan, purchasing agent, Hugh J. Baker & Co. (steel), Indianapolis:

"The buyer should strive to achieve a good warm relationship with the seller. The slightest tinge of commercial bribery or attempt on the seller's part to buy the customer's business would change this relationship. Thus, socializing with the salesman—while in many cases commendable—should always be kept on an independent self-supporting basis."



R. F. Frenzel, production manager, Merrill Engineering Laboratories, Denver:

"I recommend socializing. These contacts stimulate interest in our products and subsequently result in sales, and in turn lead to more business for all as well as to better products. In our business the majority of salesmen are able to give us valuable background experience in technical equipment. Often answers to problems not necessarily related to their own products are given willingly by salesmen with future sales in mind."

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Purchasing Week's Foreign Perspective

New York—European steel producers have boosted extras sharply on a number of export products.—The first such revision since 1956. Extras for channels were increased by from \$5.50 to \$9 a metric ton. On angles, rounds, squares, flats, and I-beams, extras went up from \$1 to \$8 a metric ton.

"The extras are so high on channels, I-beams, and some angle sizes" commented a big U.S. importer of European steels, "that we may no longer be able to compete. But there's a chance that European firms may lower their base prices in these categories—if they feel they need the business. It's easier to change the base prices than to revise a complete schedule of extras," he added.

A European mill representative said the impact of the higher

extras probably will not be known for about a month. "It all depends on what will happen to the base prices," he said, adding that a decision should be forthcoming soon.

Hong Kong—President Kennedy's plan for an international conference to control textile trade received a setback last week when three leading associations of textile producers here said they would not participate in further discussions on export quotas.

The statement by the associations was in effect a rejection of the U.S. plan for voluntary export controls. The plan was proposed by Undersecretary of State George W. Ball in preliminary talks in London recently with representatives of Honk Kong, U.K., and the Canadian manufacturers. A spokesman for one of the associations explained that the economic well-being of the British Crown Colony might be jeopardized if they rushed into a hasty agreement without first developing a well-integrated long-range program.

Montreal—Canadian National is offering incentive boxcar rates for minimum loads on an experimental basis. It will quote 11 different minimum weights in a range between 20,000 and 120,000 lb. per car on movements between specific points in central Canada.

An official of Canadian National's freight division said a special rate scale will be available for bulk commodities where space rather than weight is a prime consideration. A limited list will be published on other items taking specific commodity rates rather than charges based on incentive scales.

Havana—The Cuban government announced it will build a nickel cobalt processing plant financed mainly by the Soviet Union. The plant will produce 140-million lb. of nickel and cobalt annually for export to Russia.

International trade experts question whether Russia will be able to use the metal internally. If not, there is a definite possibility that production of the Cuban plant will eventually be unloaded on the world market at depressed prices, they said.

Washington—The Tariff Commission has ruled again that certain shipments of foreign Portland cement are hurting U.S. producers and require higher import duties under the anti-dumping law.

The commission decided that imports of Belgian cement being sold in Florida marketing areas are injuring U.S. cement producers who also sell there. The Treasury had told the commission the cement was being "dumped" at prices below those prevailing in Belgium.

New York—A Texaco official predicts world oil tanker tonnage will increase 23% in the next four years to keep pace with the growing oil demand. He said demand is expected to rise 65% by 1970—from 19-million to 31-million barrels a day.

London—Russian response to the British Trade Fair in Moscow netted a number of fat orders. The largest: an \$11.2-million contract to Vickers-Armstrongs (Engineers), Ltd., for a complete nylon 66 fiber plant, to be supplied in association with Vicker's German associate, Hans Zimmer. Other orders included textiles, textile looms, scientific instruments, and sheet steel.

Russians are reported attempting to influence British businessmen to bring pressure on their government to accept Soviet oil exports.

Fredericton, N. B.—George Burchill & Sons, Ltd., will start construction of a spruce plywood plant in June, as an addition to the 104-year-old firm's saw and planing mill.

Production of the plywood will begin in 1962 with an annual output of 12-million sq. ft. of $\frac{5}{8}$ -in. plywood on a one-shift basis. This is roughly a carload a day.

The company intends eventually to double this output through conversion to a two-shift schedule and the addition of equipment specially designed to handle small logs economically.



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British Electronics Manufacturers Wary of Accepting NASA Orders

London — British electronics and controls manufacturers are becoming increasingly wary about bidding on contracts involving U.S. National Aeronautics and Space Administration (NASA) funds.

The British companies are afraid acceptance of NASA orders may result in loss of patent and design ownership. Under their interpretation of NASA contract terms, any invention made in fulfilling a contract placed by NASA or in which NASA contributes financial aid becomes the property of the U.S. Government. This interpretation is bolstered by reports that several U.S. companies have refused NASA contracts on the same grounds.

The British also feel that NASA contract terms are retroactive, since the NASA Act defines an invention as "a conception or first actual reduction to practice of an invention." In the British view, this means the U.S. government could claim ownership of an invention if the first actual use of it was made in an NASA contract, even though the contractor previously had been

granted a patent for the invention.

As a direct result of the NASA contract provisions, the British now are scrutinizing with extra care prospective cross-licensing agreements with American firms. They say this is necessary because if the rights to the invention which they are seeking to obtain fall within the scope of the NASA Act, then the U.S. Government could prevent the British licensee from enjoying the benefits of the agreement.

British Aluminium Plans \$28-Million Expansion Of Falkirk Rolling Mills

London—British Aluminium Co., Ltd., announced it will spend \$28-million to enlarge its Falkirk Rolling Mills in Scotland. British Aluminium is a joint subsidiary of Reynolds Metals Co. and Reynolds Metals and Tube Investments, Ltd.

Major addition at Falkirk will be a 172-in. hot mill, which Reynolds said will be the widest in the world. Work on the new mill will begin immediately, but

no completion date has yet been set. Cold rolling and finishing capacity will be added as required.

The expansion is the third to be announced recently by British companies with American parents.

Japan Moves to Counter 'Buy-American' Actions

Tokyo—The Japan Ammonium Sulfate Export Assn. is sending two emissaries to Washington and another to Pakistan to persuade International Cooperation Administration officials in both

places that the "Buy-American" drive in the field of fertilizers is uneconomical.

The Japanese are afraid of being shut out from bidding on nearly 500,000 tons of urea nitrogen conversion for shipment to Korea and South Vietnam. This represents about 60% of Japan's total exports to those countries during the 1960 fertilizer year it was reported.

A spokesman for the Japanese group said, "It's uneconomical for ICA to buy ammonium sulfate from the U.S. rather than from Japan because it costs about \$70 C.I.F. per ton for American fertilizer against about \$46 for the Japanese."

Foreign Briefs

One Big Cartel

Tokyo—Japanese ship operators have unified the various "tramp" cartels into a single cartel, with separate divisions for different cargo items. Until now, each cartel, or combination of unscheduled cargo vessels, operated independently of each other.

Under the new setup, each division will be handled by one of the steamship companies. Chairman companies include: Mitsui Steamship, lumber; Yamashita Kisen, iron ore; Mitsubishi Shipping, coal; Iino Kaiun, grain; Dai-Ichi Chuo Kisen, nonferrous metals, and NYK, salt.

First Butyl Plant

Southampton—England's first butyl rubber plant will be constructed here this year by Foster Wheeler, Ltd., for Esso Petroleum Co., Ltd. The \$12.5-million plant, to be located at Esso's Fawley Refinery, will be capable of producing over 25,000 tons of Elastomer annually.

Common Market Program

Bonn—The European Common Market Authority is compiling information on all export promotion schemes used in its member countries and will present a program for future reduction of export subsidies by the end of June.

Study Exports

Melbourne—Government experts are speeding up their plans for a substantial increase in Australian exports and predict that the fiscal year commencing next July 1 will see an increase in exports of products of metal-working industries by "at least several million dollars."

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Metals Experts Sidestep Predictions on Prices

Chicago—Experts from four metals industries dodged making any firm price forecasts at the NAPA Metals Forum here last week, but implied that higher tags may be on the horizon in some cases.

More than 100 P.A.'s heard representatives of the steel, aluminum, copper, and lead and zinc industries discuss future prospects in the light of tougher competition both at home and abroad. Reports, for the most part, were optimistic.

Strongest hint of need for price strengthening came from Irving Lipkowitz, director of economic affairs, Reynolds Metals Co., who pointed out current aluminum prices are largely based on efforts to establish aluminum in new markets.

"But these days it takes more than pricing a product into a new market to establish a foothold," Lipkowitz said. "It requires also extensive process, product and market research, development and promotion."

Under these circumstances, a company "runs the risk of starving out its future growth if the market prices it must meet are so low that it cannot afford these essential developmental activities."

Aluminum Outlook

There is no evidence of "bottlenecks" developing in the supply of aluminum, Lipkowitz said. There is presently 700,000 tons of idle capacity in North America, and plans for future plants could add over 900,000 tons to free world aluminum capacity within five years and another 2,000,000 tons during subsequent years. Labor contracts at most U. S. producing plants have a year or more to run.

Lipkowitz also took a crack at competition from foreign aluminum, describing it as more a case of "competition between nations" than between private aluminum companies. It results in disruption of the domestic industry's product and market developmental efforts, he said.

Copper Outlook

Speaking on the outlook for copper, Dr. Joseph Zimmerman, vice president, Miles Metal Corp., said that despite the fact that some P.A.'s can't get all the copper they want, "there is no actual physical shortage of copper," and none is indicated in the near future.

Apparent shortage results from the fact that exports in recent months exceeded imports, because of higher price overseas, he said. Actual production this year is expected to exceed consumption, barring strikes or other interruptions.

While recent 2¢/lb. price increase in copper was disturbing to many P.A.'s, it represented only 50% recovery of previous 4¢/lb., said Zimmerman.

Copper producers know that buyers begin seeking substitutes when price goes over 33¢/lb., and "will not permit copper to price itself out of the market," said Zimmerman.

Marcus J. Aurelius, administrative vice president, United States Steel Corp., gave no hint to the P.A.'s of what may be in the works for steel prices in the

months ahead, but he took an indirect swipe at the idea they might be "administered."

"There is simply no way of making any precise predictions about prices," Aurelius said, because "only the market knows."

He predicted steels of the future would have higher strength levels, better and more varied coatings to combat corrosion, would be available in combinations or two or more kinds for processing into sheets, plates and

structural that would utilize best properties of each.

Jean Vuillequez, vice president of sales, American Metal Climax Co., declined to predict price trends for the lead and zinc industry, but said "the lead price is about as low as it can get."

Based on the research and development work now being conducted by these industries, "you'll hear a lot about lead and zinc substitutes for other materials in this decade," he said.

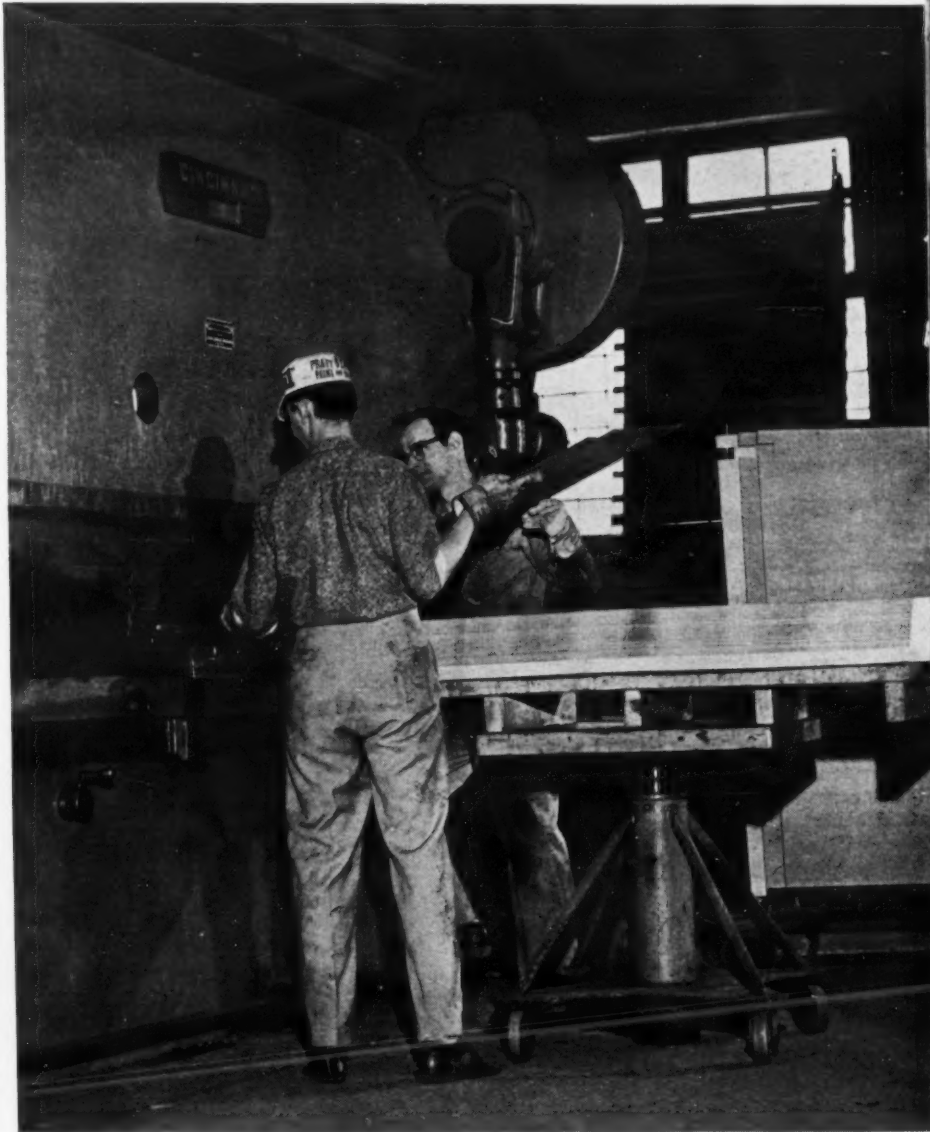
Competition Among Fuel

Chicago—Spokesmen for the fuel oil, coal, and natural gas industries came to the NAPA convention last week with virtually identical messages: Supplies and reserves are high, research programs are expanding, price competition will remain stiff, and major marketing programs will show major improvements in products and services.

A. V. Fraser, American Oil Co. manager of marketing development, summed up the situation this way at the Fuels Forum:

"Over the next 10 years or so you are going to see one of the most severe competitive fights among the suppliers of fuel that's ever been waged."

Referring to electric utilities industry plans to spend some \$52-million dollars to promote the use of electricity for heating, Fraser said no fuel supplier will "take this sort of thing lying down. The LPG marketers, the natural gas marketers, the fuel oil marketers, the coal marketers—they're all going to be in there



PAINTING AND FORMING OF ELECTRO PAINTLOK at American Sanitary Partition Corporation. It provides an excellent corrosion resistant base for painting, synthetic enameling, lithographing, varnishing, or lacquering. Takes severe forming without damage to protective zinc coating.

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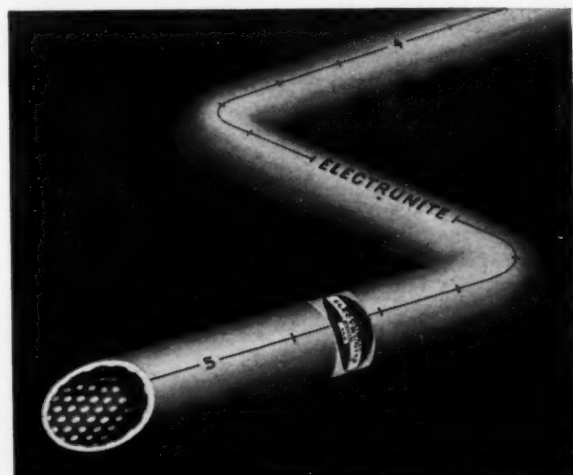
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Suppliers to Get Hotter Than Ever

pitching for a sizable share of the market."

Seconding Fraser was S. L. Jewell, vice president of Peabody Coal Co. Jewell said the coal industry already had embarked on the "most aggressive sales campaign" in its history. He cited a long list of major programs designed to sell coal to industry as a major power source and promised coal "will be able to hold down fuel costs for industry."

Speaking for natural gas, Marvin Chandler, president of North-

ern Illinois Gas Co., made a similar sales pitch for his industry.

Chandler said the rapid rise in field prices of natural gas that have occurred during the past few years may now be leveling off. He based this observation on the fact that holders of large gas reserves have been selling off recently.

More specifically as to gas costs, Chandler urged P.A.'s to review their gas needs to take advantage of more attractive rates based on uniform usage.

Review heat and energy requirements, he said, because gas suppliers can better design rates when complete data on prospective load needs are available.

He also urged closer attention to new developments in the use of gas, pointing out that gas industry research is moving rapidly in development of thermoelectric generators, thermionic converters, and fuel cells to convert gas directly to electric energy, either by chemical or heat reaction methods.

Container, Paper, Packaging Buyers Sound Warning to Vendors on Prices

Chicago—Buyers of container, paper, and packaging materials gave strong evidence at three separate NAPA convention forums that they'll be taking a sharp look at prices in the welter of innovations coming along in the packaging and container fields.

"Don't let a product improvement be an excuse for a price increase," paper buyers were warned by James E. Morse, purchasing agent of Keller-Crescent Co., Evansville, Ind. In a similar

vein, buyers at the Container Forum said that recent price weaknesses in plastics give the buyer a distinct bargaining advantage when a shift from more standard container materials to plastics is contemplated.

The growing trend toward combining several materials in the same product provides an even wider range for bargaining, buyers said.

The use of paper, plastics, and metals in combination in a growing range of upcoming products were pointed out to container materials buyers:

- **Marriage of plastics with kraft linerboard** in shipping boxes were among the trends in packaging cited by Smith L. Rairdon, executive vice president of Owens-Illinois Glass Co.

- **Composite containers** for liquid products were emphasized by Dr. Robert B. Mesrobian, general manager of Continental Can Co.'s General Packaging Research and Development Div. Example: co-extruding 10% nylon at \$1/lb. with polyethylene at 30¢/lb. prevents case hardening of all-polyethylene containers used for motor oil.

- **Polyethylene-coated paper** still faces a basic problem, Mesrobian pointed out, in the need for high speed equipment for sealing the materials together.

But it's the paper buyer who can play the strongest hand in getting a price advantage in the packaging field. Members of the NAPA's National Committee on Paper urged buyers to push for price advantages while excess capacity put the paper buyer in a strong position. Based on its latest survey, here's a rundown of key areas where price favors packaging materials:

- **Paperboard.** Prices have been soft to weak, James M. Berry, Vick Chemical Co., Greensboro, N. C., pointed out. The buyer should look for "special concessionary deals," owing to the fact that when seasonal factors are taken into account, paperboard orders probably will be even lower than first quarter demand, contrary to most reports. He saw "no reason for upward movement of any prices on containerboard and boxboard grades through 1961."

- **Kraft.** Buyers were urged to take advantage of a \$20/ton reduction in multiwall, gumming, and asphalt bag prices. Some export demand could shave off the excess capacity, but signs are the price weakness will continue through the end of the year.

- **Heat sealed papers and aluminum foil** are gaining increased acceptance in the packaging field. Some price pressure could develop here owing to a lack of manufacturers.

- **West Coast paper prices** were noted as decidedly weak, with mills caught in a cost-price squeeze which buyers can continue to advantage of, according to committee Chairman Joseph J. Miller, purchasing agent, Metropolitan Life Insurance Co.

General Manager of American Partition Co. tells

"WHY WE NOW BUY REPUBLIC ELECTRO PAINTLOK EXCLUSIVELY"

"Our sheet steel requirements are simple but extremely important ones," reports Mr. George Virtes, General Manager of American Sanitary Partition Co., Long Island City, New York, a leading manufacturer of commercial and institutional toilet partitions. "First, the stock we use must be absolutely flat and uniformly smooth. Any waviness or surface roughness would show up on our finished product because of the straight-line design and high gloss enamel we use.

"Second, since our product is exposed to scratches, bumps, and frequent scrubbing, we need a steel that will really take and hold paint, that will resist rusting when scratched or gouged.

"For a few years, we used Republic Electro Paintlok® and several other sheet products of a similar type.

We compared performance in our fabricating operations, and on installed units. The results proved to us that Electro Paintlok does a consistently better job of meeting all our requirements. We now buy Republic Electro Paintlok 100%."

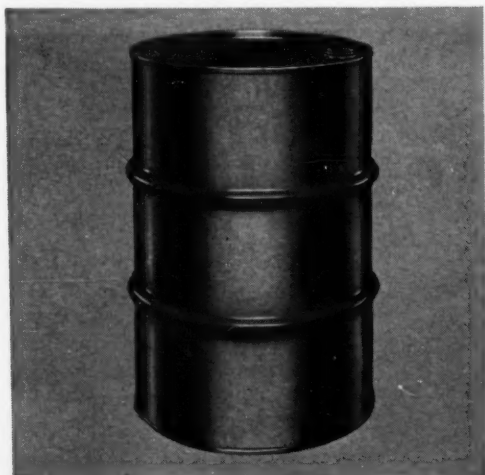
Electro Paintlok sheets are zinc coated by the electrolytic process, then chemically treated to provide an inert phosphate surface film. This produces a firm mechanical bonding of paint, lacquer, or enamel, and a protective surface which resists rusting when paint is damaged.

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Business Controls, Price Bills Engross Minds of Lawmakers

Washington—Against a background of foreign crises and the domestic preoccupation with prices, Congressional leaders are pushing the Kennedy Administration's legislative program hard and effectively.

On major legislation—school aid, housing and urban renewal, highway financing—chief problems have come up in the House of Representatives where liberal Democrats teamed with liberal Republicans have shown unexpected power against the old Republican - Southern Democrat coalition. A key to Kennedy power in the House will be the forthcoming vote on aid-to-education.

In both House and Senate, hearings by committees and subcommittees are moving at a fast clip, but with no national election this fall, a long session may be in store. Pleas for a summer recess have already been rejected by the leadership.

Tighter control of business is in the air. Sen. Estes Kefauver's hearings into electric company price fixing have put zip into antitrust bills that have been dormant for years. In addition, Sen. Hubert H. Humphrey (D-Minn.), liberal advocate of legislation aimed at business controls, is emerging as a powerful Senate leader.

Congress will go along with reforms of the independent regulatory agencies, although it is making plain that these agencies are in its own domain by refusing to rubber stamp some White House proposals.

Congressional Rundown

Following is a rundown on Congress's progress in its first five months on topics affecting purchasing:

Pre-merger notification. This bill would require companies with merger plans, if their combined assets would total more than \$10-million, to notify the Federal Trade Commission and the Justice Dept. of their intention to merge 60 days before the transaction is finally agreed upon. The idea has been introduced before in both Houses of Congress and has not made much progress. But Atty. Gen. Robert F. Kennedy has supported it, and it is believed chances of passage are better than in the past. Sen. Kefauver (D-Tenn.) has introduced the bill in the Senate; Rep. Emanuel Celler (D-N. Y.) in the House. The House Antitrust Subcommittee has already held hearings on the bill.

Civil investigative demand. Atty. Gen. Kennedy also has supported this measure. It would give the Justice Dept.'s antitrust division power to subpoena records as part of investigations in civil antitrust suits. At present, the subpoena power is limited to criminal investigations before federal grand juries. This measure is a controversial one. Business men claim it would give the Justice Dept. power to go on "fishing expeditions" to uncover evidence of antitrust violations when they have no firm charges in mind. It has been introduced in both the House and Senate.

Reporting of identical bids. Rep. Wright Patman (D-Tex.)

has introduced bills to give Congressional sanction to President Kennedy's order that federal agencies must report all identical bids to the Justice Dept. These would be available for publication and would be used to aid trustbusters in tracking down illegal pricing conspiracies.

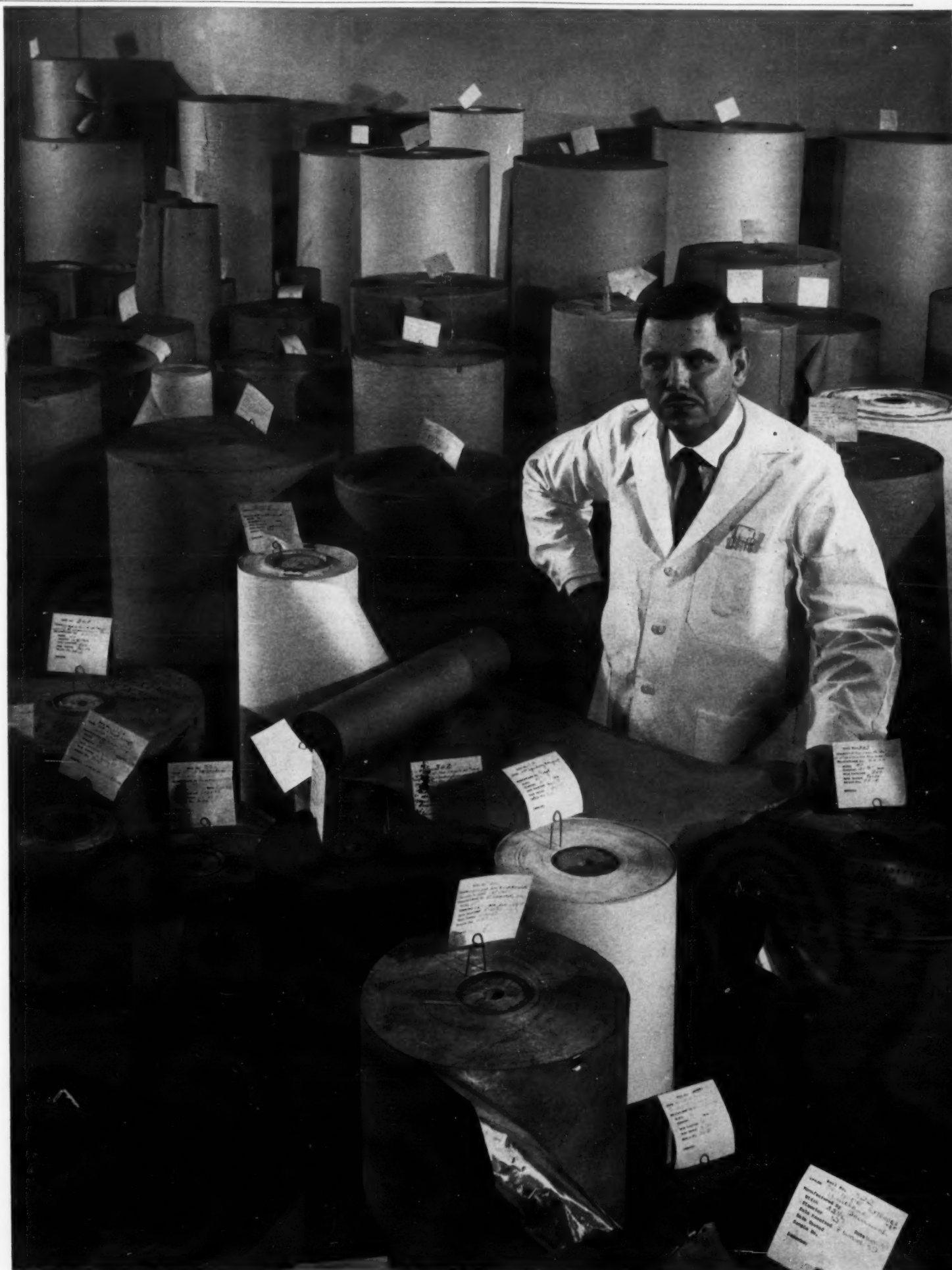
Auto finance companies. Rep. Celler has scheduled five days of hearings before the House Antitrust Subcommittee on a bill to

force auto manufacturing companies to divorce themselves from their financing subsidiaries. General Motors Corp. and Ford Motor Co. are the two auto makers which have such subsidiaries. Rep. Celler believes such a move would tend to lower financing charges to consumers.

Drugs. Sen. Kefauver and Rep. Celler have introduced identical bills which would make sweeping changes in the pharmaceutical in-

dustry, including a reduction (to 3 years from 17) in the time drug companies could hold exclusive patent rights on new products. It would also tighten government control over drug making by boosting inspection requirements. Stiff opposition to the measure is coming from the drug industry. Sen. Kefauver will likely schedule hearings before the Senate Antitrust and Monopoly Subcommittee later this summer.

Restrictions on corporate office-holding. This bill, introduced in the wake of price-fixing charges against the electrical industry, would bar certain corporate officials of firms found guilty of violating the antitrust laws from holding office for a year. There is some doubt about the constitutionality of such a provision. A similar law applies to labor leaders convicted under the Landrum-Griffin Act, but it has





MIKE MANSFIELD: Senate majority leader is power behind Administration's legislative drive.

had no court tests. The bill was introduced in both the House and the Senate.

Publication of proposed decrees. Sen. Hubert Humphrey (D-Minn.) has introduced this measure which would require publication in the federal register of decrees, judgments and orders in civil antitrust suits before they are finally approved by the courts. The idea was proposed by Lee Loevinger, head of the Justice Dept.'s Antitrust Division. The Senate Antitrust Subcommittee has scheduled no hearings on the bill.

Loss leaders. Sen. Humphrey has introduced another measure which would forbid merchants to

use "loss leaders"—items sold at cut-rate prices and designed to attract business. It is aimed at protecting small merchants against predatory pricing by larger competitors. The measure has been introduced before with no success. No hearings have been scheduled.

Other amendments. Sen. Kefauver is said to be circulating further antitrust law amendments among his colleagues. These amendments would provide stiffer penalties for antitrust violations; place responsibility for antitrust violations by subordinates on top corporate management, and put the burden of proof on price-fixing charges on defendants

rather than on the government. These suggested amendments arose from hearings by Sen. Kefauver's Antitrust Subcommittee on price-fixing in the electrical industry. He is expected to introduce the bills later in this session of Congress or early next year.

Foreign trade. Congressional leaders don't expect passage of any major legislation until the Reciprocal Trade Agreements Act expires in 1962 and Kennedy outlines his foreign trade program.

Textile imports. Lawmakers from textile producing states are closely watching the Administration's efforts toward voluntary

international controls on world production and sale of textiles. If the effort fails, these congressmen will pressure Kennedy to impose mandatory quotas on imports, and if necessary push a Congressional directive to Kennedy.

Lead-zinc imports. The quota system in effect for imports of these two metals has been widely criticized. Two types of legislation are pending. One would set up a program of federal subsidies for smaller domestic producers. The other would put an import tax on the metals. Both approaches are stuck in committees, neither having received sufficient push from the Administration.

Military contracting. The House Armed Services Investigations Subcommittee has held hearings on recovery of alleged "excessive costs" on military procurement contracts, and is now looking into sole-source procurement and limits on competition in defense contract bidding.

Pentagon witnesses are to respond later this month to General Accounting Office criticism of inadequate competition in the field or spare aircraft parts.

The Pentagon opposes a bill by Rep. Hebert aimed at increasing advertised bidding, cutting back on negotiated contracts, and putting a lid on cost estimates and profit allowances in incentive contracts. The Pentagon would rather achieve these aims administratively.

Awards to small business. The Senate Small Business Government Procurement Subcommittee has held hearings on Kennedy Administration plans to increase the volume of military contracting with smaller firms. The committee is impressed with the Pentagon's efforts. A bill by Sen. Proxmire to increase small firm contracting by giving the Small Business Administration a bigger role in procurement procedures will be pigeonholed.

Increased military spending. The House added \$337-million to the military authorization bill for aircraft, missile, and naval vessel procurement, and the Senate tacked on \$525-million. The extra funds were voted for additional production of B-52 or B-58 bombers. The Defense Dept. opposes the extra bomber procurement, and the House and Senate Appropriations Committees have yet to vote funds to back up the two authorization measures.

Transportation rate - making. The Senate Commerce Committee has recessed indefinitely hearings on a bill to revise the federal ground rules which govern competitive rate-making between rail, truck, and water carriers.

The law now provides that the Interstate Commerce Commission shall not require that one mode of carriage hold its rates up to a particular level solely to protect the traffic of another. Motor and water carriers charge the railroads have used this with ICC sanction to indulge in a destructive rate war.

The pending bill would require the commission, in passing on the legality of rate reduction by one mode, to consider its impact on other modes. Commerce Committee hearings probably will not resume until the Kennedy Administration has formulated its position. The Administration

(Continued on page 18)

He knows all the right combinations

Using coatings and laminations, Union-Camp's Bob Harris has given corrugated boxes a host of amazing new properties.

OUR photograph shows Bob Harris standing in a forest of containerboard stock, paper and laminating materials. Here, he is comfortably at home.

He should be. Bob is a chemist, and a Project Supervisor at Union-Camp's Product Development Laboratory. Coatings and laminations are his specialty. Guesswork plays no part in his research.

"Today, thanks to coatings and laminations, there are few limitations on what you can package in corrugated," says Bob. "Using them singly or in combination, we can give corrugated boxes any number of protective properties. Water repellency, for example. Or snag and scuff resistance. Or resistance to acids and grease.

"We can coat the inside of a box so that it won't scratch the finish of an expensive hi-fi set. We can create moisture barriers for packaging soaps and other types of products.

"Everything we do is aimed at making the package more efficient by providing increased protection and reducing costly damage."

Recently, Bob and his group perfected a special release coating which is applied directly to the box. It prevents materials such as rubber or asphalt from sticking to the interior surface of corrugated boxes.

Bob Harris has also worked some minor miracles in improving the printing surface of Union-Camp containerboard. Using a special clay coating and resinous binder, an extremely smooth surface is provided that takes printing beautifully. The clean, sharp impressions that can now be achieved enhance the display value of the box and the sales appeal of its contents.

What lies ahead for corrugated combinations?

Bob and the rest of Union-Camp's development team are hard at work investigating new coatings that will result in even greater protection and economy for Union-Camp customers. This work is being carried on in a laboratory that can duplicate any shipping hazard a box is likely to meet in actual use. Its facilities include special environmental rooms that can simulate the heat, cold, or moisture conditions found anywhere on earth.

Find out what improvements Bob can make in your box. While you're about it, investigate Union-Camp's complete Packaging Evaluation Program available at no additional cost.

This service includes box design and development, specifications control, graphic design and merchandising counsel, box testing and in-plant surveys of your materials handling operation. An improvement in any one of these areas might produce greater efficiency and economy in your corrugated packaging operation.

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†Cleveland, Ohio; 10200 Miles Ave.	Jamestown, N. C.;
†Sharonville, Ohio; P. O. Box 86	3704 Point Pleasant Rd.
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*Subsidiary Companies †River Raisin Division	



HOUSTON MEMBER OF YEAR: J. R. Estill, Jr., (left) vice president, Houston Lighting & Power Co., was cited as "outstanding member of the year" by the Houston Assn. for the job he performed as Professional Development chairman. Presentation was made to Estill by outgoing president W. R. Stelzer, Alcoa purchasing agent.

Price, Business Bills Engrossing Congress

(Continued from page 17)
probably will call for some tightening up of the law but not go as far as the legislation under consideration.

Urban Affairs. Chances are regarded favorable for creation of a Department of Urban Affairs and Housing. House subcommittee hearings are underway, and Senate hearings are set.

Omnibus housing. Passage is assured for a \$4-billion omnibus housing bill including urban renewal, more public housing, and housing for the elderly. The

House vote will follow passage in the Senate.

Highways. The House has approved tax legislation that will provide \$9.4-billion in extra revenue to permit completion of the \$41-billion interstate highway program on schedule by 1972. The additional money will come from continuing the federal gasoline tax at 4¢/gal. increasing taxes on heavy trucks, diesel fuel, and tires and earmarking for highway use certain other truck taxes that now flow into the general treasury.

Aid to airports. A House Commerce subcommittee has completed public hearings but has not yet voted on the Administration's proposal to extend federal aid for airport development for another five years and increase annual grants from \$63-million to \$75-million.

Taxes. Ways & Means Committee of the House last week finished off five weeks of hearings on the Administration's varied bundle of tax proposals. Most of the final witnesses were persons opposed to the Administration's proposals for taxing income of overseas subsidiaries of U. S. corporations as they earn it, instead of at the time the funds are sent back to the U. S. taxpayer.

The committee has already approved a continuation of excises that would otherwise have declined June 30—on such things as liquor, beer, cigarettes, and the transportation of persons. It is also expected to approve quickly a continuation of the corporate income tax rate at 52%.

Looking For Savings? Then Read...



Lockheed F-104A Starfighter with aluminum surfaces protected by Iridite 14-2.

How **IRIDITE**® Helps Lockheed Cut Aluminum Finishing Costs

Nine years ago, Lockheed switched from anodizing to Iridite chromate conversion coatings. That year, they saved over \$40,000 in materials and manpower.

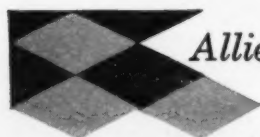
Today, Lockheed is still saving money with Iridite 14-2. Here's how:

Process time is reduced from 45 minutes to a maximum of only 5 minutes. Three times as

much work is processed in a single run. Easy-to-load baskets, replacing costly anodizing racks, save \$15,000 per year. Expensive electrical equipment is eliminated because Iridite is a simple chemical dip.

Moreover, Iridite 14-2 gives improved corrosion resistance, easily meeting MIL-C-5541, and provides excellent paint adhesion.

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Canton & Eastern Ohio Purchasing Agents Assn. Elects Sitzman President

Canton, Ohio — Canton & Eastern Ohio Assn. of Purchasing Agents elected its new slate of officers. New president is J. Sitzman, Ohio Ferro Alloys Corp. Other officers are:

First vice president: William Durian, Diebold, Inc.; 2nd vice president: Gerald Bing, Tyson Bearing Corp.; secretary: Ralph



J. SITZMAN

Ross, Hover Co.; treasurer: Richard Hamilton, Babcock & Wilcox Research Center.

Elected members at large on the board of directors were: John DeVeney, Morgan Engineering Co.; Dwaine Warstler, Ekco Products Co.; Carl Sheehan, Griscom-Russell Co.; Jack Wilkof, Morris Steel Co.

Hamilton P. A. Group Names Connor Head

Hamilton, Ont.—R. J. Connor, Dominion Foundries and Steel, Ltd., was elected president of the Purchasing Agents Assn. of Hamilton District.

J. B. Cameron, International Harvester Co., and J. J. Kealey, Steel Co. of Canada Ltd., were elected vice presidents. W. R. Almas, National Steel Car Corp., was elected treasurer, and J. H. Williams, H. C. Burton Co., recording secretary. W. B. Erwin of Duro Aluminum, Ltd.; J. E. Platt of the Smart Turner Machine Co., and A. R. Thomson, of the Coffield Washer Co., were elected to the executive committee.

Purchasing Working 'Under the Gun' NAPA Told

Chicago — Top management can find the solution to most of its problems under the purchasing roof, a former NAPA leader told association members here last week.

"Management is between the devil and the deep blue sea," said George A. Renard, "dodging smears and indictments—and ethical, independent purchasing is the only escape."

But the one-time NAPA president and executive secretary warned that this situation could focus attention on any "gap between performance and potential."

"Purchasing," he said, "is right under the gun, with price discrimination, identical bids, economic racketeering, and conflict of interest in the headlines."

Renard said that recent events indicate there will be "greater flexibility in the prices offered a corporate buyer, with fewer identical bids and less shadow-boxing by competitors."

Against these advantages, Renard cited problem areas where purchasing can achieve "new dimensions":

- **Holding the line on price.** Purchasing can enable management to hold prices in check by "holding the line" in negotiations with suppliers.

- **Product reliability.** "So long as the profit squeeze continues," he said, "purchasing has an even greater share of the over-all company management responsibility for development of production and products that are competitive. The new sales and management dimension called 'product reliability' and 'assurance of product value' is a lame duck if it is ignored in purchases."

- **Transportation costs.** Here

is a factor having a "revolutionary" effect on purchase schedules and inventory levels, Renard said. "You can't follow the game of EOQ, which is played with the cost of purchasing and the cost of possession, without an up-to-date scorecard on transportation costs and services." Developments in packaging and containers are part of that story he added.

- **"Make or buy."** With labor asking for a voice in who gets subcontracts, the pressure is on purchasing to prove, through per-

formance, that management has the "right of choice to purchase or to produce the best available value."

- **Trade relations pressures.** "With the government threatening to regulate business ethics and prosecute misconduct," said Renard, "trade relationships have become one of the most critical problems facing management." Solution the P.A. can provide: Prove that "purchases can be made by competitively and that the best available values can be secured for the company."



CENTER FLOW: ACF Industries' new high-capacity aluminum covered hopper car has inverted 'pear-shaped' cross section for speedy unloading. Car can be leased through ACF's Shippers' Car Line Division.



This mark tells you a product is made of modern, dependable Steel.



P.A.'s Urged to Apply Professional Techniques To Overseas Purchases

Chicago — Management Consultant Louis J. DeRose said last week that too many purchasing men fail to apply professional buying techniques when confronted by the question of whether to buy foreign-made products.

"If value can be obtained from American suppliers, by all means take advantage of it here," he said. "If it cannot, seek it out elsewhere."

DeRose told an NAPA convention session that many purchasing agents fall for "campaigns of propaganda which distort the issues" and threaten "outright intimidation of those who do choose to buy overseas." Said DeRose: "When it comes to the question of foreign buying, too much purchasing opinion seems to depart drastically from true professionalism. Rather than analyze the facts and weigh all the evidence concerning foreign sources, some buyers are reacting emotionally and in noneconomic terms."

Thus, P.A.'s fail to apply tried and proved techniques of value measurement, DeRose said, and ignore opportunities for potential cost savings.

But the facts are, DeRose said, that American industry can compete—"when it has the will and ingenuity to do so."

USS Tiger Brand Slings handle awkward loads safely

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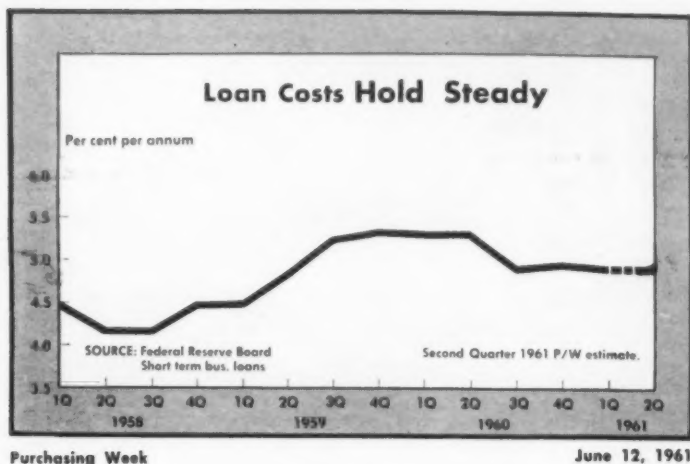
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Recovery Seen Sparking Rise in Business Loans

New York—Interest rates are expected to rise during the 2nd half, despite the current drop—totaling \$1-3 billion so far this year—in the volume of bank loans to business.

"This decline in loans is not much more than seasonal," said William Butler, vice president of Chase Manhattan Bank. "And with business improving, I see a more than seasonal borrowing pickup for the second half. If it's really strong, it could mean a prime rate boost sometime late in the year."

An increase in this prime rate, currently at 4½%, would mean a general rise for all business borrowers, for the prime rate is the going fee for the banks' best risks, and all borrowing rates are scaled upward from this level.

Would Hike Short Term

A prime rate rise would probably throw the average interest on short-term business loans well over the 5% mark. This average has been hovering just under that level since last August (see chart at left) when the prime in-

terest rate was knocked down from 5%.

One top bank economist points to inventories as another indicator of firmness rather than weakness in the bank loan area. He notes: "there's an amazingly close relationship between inventory movements and bank loans. During periods of inventory piling up, loans tend to drop, and during periods of accumulation they tend to rise."

Sees Pickup

This economist goes on to say that "with almost everybody agreeing on the need for some inventory buildup, it would indeed be a surprise if both loan demand and rates did not start picking up."

In fact, the interest rates usually associated with inventory borrowing—the 90-day to 179-day rates—have already started firming in the commercial paper market where big companies have been doing a lot of their financing recently.

Big Switch

"When the commercial market rates approach the prime rate," said one financial expert, "you'll see a big switch to bank borrowing and a tightening of bank credit."

The bullish interest rate outlook also applies to long-term borrowing of the type used to finance capital expenditures. The Kennedy Administration has been exerting considerable pressure to keep these rates down, but long term borrowing demand—as indicated by corporate bond offerings—has picked up sharply and boosted recent corporate bond yields by some 12% from their 1961 lows.

While the financial experts agree that interest rates will firm with the business recovery, they expect the advance to be moderate—partly because the Federal Reserve Board (FRB) has extended its open-market operations to intermediate and short term government securities, as well as its traditional long term market.

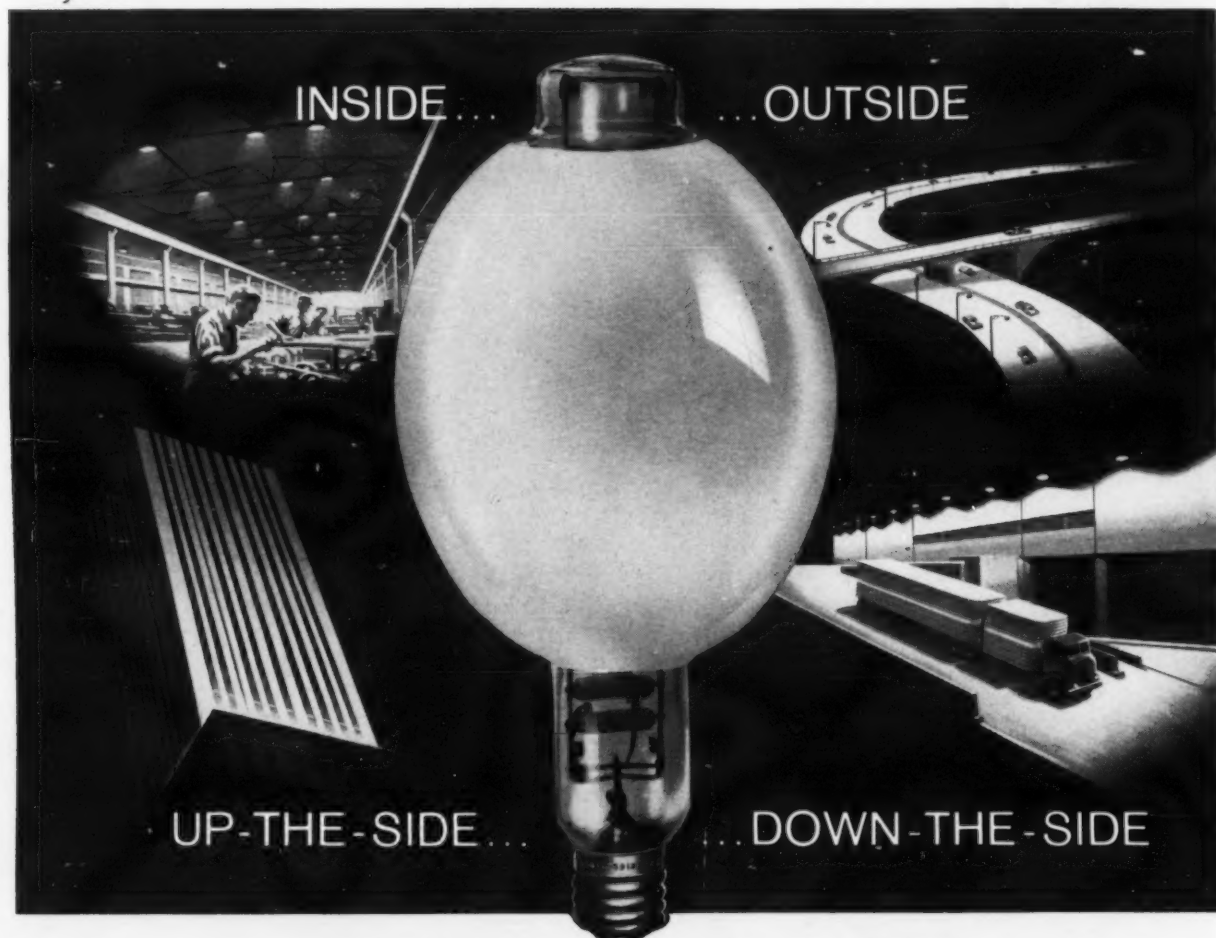
Open Market Operation

The open-market operations concern the Federal Reserve Board's buying and selling of government securities. The interest rates on government borrowing serve to peg a wide range of interest rates on business loans since both compete for investment funds.

The FRB is active right now as a buyer of government issues in order to keep the interest rates down. If the FRB withdrew as a buyer, it is generally agreed that the prices of government securities would fall, their interest rates (or yields) would shoot up, and business rates would certainly follow.

Mortgage Rates

The only group of interest rates that are expected to weaken at all are mortgage rates. "The flow of funds has been good to savings banks and savings and loan association," explains one bank executive, "and the demand from the private housing market has been bad. But the paring of mortgage rates will run its course soon and they should firm before the end of the year."



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Shippers Blast Southern Truckers' Rate Move

Washington — Shippers have strongly protested a proposal by the Southern Motor Carriers Rate Conference to put into effect an interim emergency rate increase of 10% on less than truck load (LTL) and volume-rate shipments between the southern territory and the Midwest and Southwest territories.

The Southern Traffic League, the North Carolina and South Carolina Textile Manufacturers Assn. and the Traffic Department, a non-profit association representing 482 textile mills,

have asked the ICC's Board of Suspension to suspend and investigate the increase.

The 10% surcharge would be subject to a maximum charge of \$1 per shipment.

The protesting shippers say:

- The surcharge would fall heaviest on small shipments least able to bear the increased cost.
- The Southern Conference last September increased by 5% rates and minimum charges on the same traffic between the same territories. Shippers at that time were led to believe that this was

a general increase in lieu of a temporary surcharge, but now find the conference wants the surcharge in addition.

Currently under investigation by the full ICC is a general 6% increase in LTL and any-quantity rates within the conference itself and between the Southern and Eastern territories. The Board of Suspension had placed this increase under suspension for seven months but the commission is allowing it to go into effect June 22 while investigating its legality.

Former Pa. Auditor General Hits Institutional Food Buying Policies

Harrisburg, Pa.—Institutional food buying needs more "common sense" supervision, according to Charles C. Smith, former auditor-general of the state of Pennsylvania.

Smith said a survey he made showed that three public hospitals had unnecessary losses of between \$500,000 and \$600,000 a year. The hospitals included the smallest and largest of their type in the state.

Smith criticized top purchasing executives for their disinterest

in the buying of food. During his four years in office, he said, he reported many irregularities in food buying, inventory, and preparation—only to see them pop up again in later audits.

He cited these faults based on his survey:

- Too much food kept in storage—at least a two-months excess.
- Not enough checking of deliveries. Evidence suggests that some food may never have been delivered, though ordered and paid for.
- Failure to use standard recipes.
- Preparation of same amounts daily, regardless of the number of consumers. In one institution, he charged, there is never any leftover meat, "indicating that personnel are simply taking the meat home."
- Not applying basic rules of food processing, such as those enforced by the military services.

City of Buffalo Charges 4 Chemical Companies Rigged Bids on Chlorine

Buffalo—Buffalo has started legal action against four chemical companies who were involved in a statewide price-fixing investigation last year in the sale of liquid chlorine.

The city's Sewer Authority charges that the firms agreed on prices, and divided up the business, preventing the Authority from getting competitive bids for the chlorine.

The companies involved are: Solvay Process Div., Allied Chemical Corp.; Jones Chemicals, Inc., Caledonia; Central (O-B) Products Co., Inc., Buffalo, and Olin Mathieson Chemical Corp.

Solvay's president, Wilbur H. Brumfield, said he is confident there has been no violation of the law in its business conduct.

The Authority seeks \$60,000 in damages and an additional \$5,000 for legal costs under provisions of the Sherman Antitrust Act, which permits suits for triple damages. The city had estimated its loss at \$20,000.

Combination Requisition Adopted by Ohio County

Dayton, Ohio—Montgomery County has adopted a new combination requisition, purchase order and voucher form in an effort to eliminate "blind buying" and overdrawn accounts by some county departments.

Prepared by County Purchasing Agent Ben G. Armstrong, the new form, with few exceptions, will require the signatures of the purchasing agent and the county auditor before becoming a valid order.

In this way buying will be centralized under the county P. A. and, at the same time, the auditor's office will be given a chance to see in advance that there is enough money to cover individual purchases.



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coating paper board with plastic. This gives the carton a sturdy feel and glistening appearance, increasing its sales appeal.

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INTERNATIONAL PAPER

NEW YORK 17, N. Y.

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Wages, Excess Demand Head Inflation Forces

Washington — Spiraling wage costs, excess demand, and administered prices must share the blame for postwar inflation both in the U.S. and abroad. But these forces can be contained by governmental action without disrupting free enterprise economies.

That's the major conclusion of a new report published by the Organization for European Economic Cooperation on the causes of inflation in 20 countries during the 1953-60 period. The study,

made by a group of American, Swiss, Dutch, and Swedish economists, pinpoints wage hikes as the most important single cause of inflation in the U.S.

The accompanying chart shows just how strong the wage factor has been. Over the past decade wages have gone up over 60%. Since productivity went up only about 3% per year (or about 30%), it's no coincidence that prices were forced up close to 30%.

Excess demand is defined by the report as the over-all demand "which cannot be met at existing prices without exerting undue pressure on production resources."

In a few countries excessive demand was created by heavy budget deficits. But in the majority it occurred when "a strong rise in private fixed investment was added to the existing strong upward trend in consumption demand, particularly for durable goods, and the high level of housing outlays."

In the United States the authors point to the period between late 1955 and early 1957 as the span when rising expenditures on new plant and equipment were an especially potent inflationary force. Substantiating their argument was the 60% increase in capital spending between the first quarters of 1955 and 1957.

Over-Administered Prices

Commenting on the inflationary aspect of administered prices in the U.S., the report has this to say: "The size of the price rise for a few important industries appears to have overcompensated for the increase in labour and material costs."

European industry has performed better than American in this area, the study finds. Thus, in the U.S. inflation hit hardest in those sectors of the economy where administered pricing is most prevalent—notably industrial areas such as metals and machinery. This is just the opposite of the European pattern where inflation occurred mainly in consumer prices.

However, the report goes on to say, the inflationary effect of administered pricing is limited. "It is not likely to be the starting cause, nor can it be a cause of continuously rising prices." The reasons: the dampening effect of higher prices on output and sales plus the fact that administered prices don't spread to other industries.

Use of Wage 'Norms'

Perhaps the most provocative part of the report deals with the policies advocated by the authors to handle the causes of inflation.

To control "wage-push inflation," for example, four of the economists recommend that the government estimate "the average increase in wages that is appropriate to the economic situation and consistent with stability of the price level."

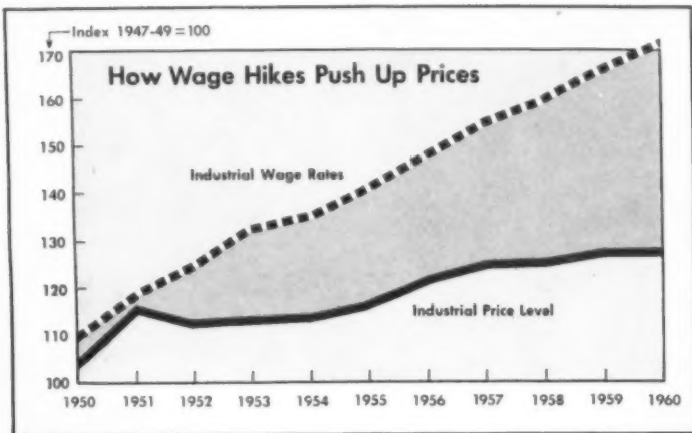
The government then would publicize this wage "norm," pressure labor and management to abide by it, and use it as a standard for its own employees.

France is experimenting with this approach now and has announced a wage hike limit of 4% for this year.

Excessive-demand inflation should be handled, the authors contend, by adopting more flexible and realistic fiscal policies. A first step in this direction would be to improve information gathering "so as to provide a fuller and more current picture of the developing situation."

In addition, the experts recommend, "the stabilization authorities should be given the power

(Continued on page 23)



Purchasing Week

June 12, 1961



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New Machinery Orders Showing Sharp Gains

New York—New Machinery orders continue to show gains. April levels were some 3% above March and the highest since last July when orders first began to slip.

That's the cheery picture revealed by the McGraw-Hill Dept. of Economics periodic survey of this key area.

Says one of the department's top economists: "Considering the long lead times for equipment, the present upward trend of new orders ties in well with the plans businessmen recently reported for raising capital spending in the second half 1961."

April's gain in the total index resulted from sharply divergent movements of the individual industry segments. Other industrial machinery—general and special purpose industrial equipment—posted a 9% rise, while the other categories declined. New orders for metalworking machinery dropped the most, 33% after two months of spectacular rises.

The general rise ties in with newly released Dept. of Commerce data. Manufacturers bookings in April rose to \$30.7-billion—again 3% above the previous month after allowing for seasonal variations.

Details of the McGraw-Hill machinery survey are given in the table alongside.

Wages, Excess Demand Chief Causes of Inflation, Study Group Concludes

(Continued from page 22) to change the effective rate of tax for specified sources of government revenue over a specified range of tax rates without prior approval of each change requiring the normal parliamentary procedure."

This is quite a switch from the U.S. tradition of dealing with inflation by changes in government spending and monetary policy, rather than through regulation of revenue taxes. Britain is experimenting with this approach for the first time this year—and the results will be carefully weighed by government economists everywhere.

As far as administered pricing is concerned, the authors go along with the U.S. government program of regulating monopolistic pricing and "supervising and studying the pricing practices of large enterprises." One development, they find, that is alleviating the inflationary potential in this area is the rapid growth of foreign competition.

They point out that some governments have found it useful to establish "discussions between the governmental authorities and industry of proposed price increases." But they feel this technique may "reduce downward price flexibility by making entrepreneurs reluctant to lower prices for fear of being unable to raise them again."

The report also attacks the widespread labor contract practice of tying wages to a cost of living index. Such an index is frequently inflated by factors which don't stem from, and aren't controlled by, the economy per se—for example, higher import prices, sales taxes, etc.—and to adjust wages by it would simply spread this type of inflation.

Machinery New Orders

(1950 = 100)

	Apr '61	Mar '61	Apr '60
Total New Orders*	175	169	174
Total New Orders	179	185	177
Pumps and Compressors	309	337	310
Engines and Turbines	138	140	196
Constr. and Mining Mach.	154	161	199
Metalworking Machinery	180	269	160
Office Equipment	246	258	220
Other Industrial Mach.	165	151	151

* Seasonally adjusted, all other data unadjusted.

New York to Try Hot Melting Pots When Next Winter's Snow Blows In

New York—Mobile snow-melting pots will be put into use on an experimental basis next winter here. Two of the units containing pre-heated water, will be mounted on snow-removal trucks. Snow will be dumped into them and after melting will be drained into sewer catch basins.

Loaders could pour 20 to 30 truckloads of snow per hour into the tanks, the amount depending on the compactness of the snow.

If the machines work as well as expected, as few as 30 of them might quickly clear all major arteries in the city. The melting units would cost about \$30,000 each.

In experimenting with snow removal procedures, New York City has tried and rejected flame throwers and jet engine exhausts, but has found radiant heating under sidewalks and electric cables and coils under streets to be fairly effective.

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Purchasing Week's San Francisco Perspective



P/W Correspondent

DONALD WINSTON

Focuses a Purchasing Spotlight
On the Gateway to the Pacific

California's industrial growth during the next 10 years will be marked by two major factors, according to a new analysis just completed by Stanford Research Institute. These are: (1) a

shift of new industry toward the northern part of the state, (2) the development of "import substitution." Both factors will greatly change the procurement outlook not only in California but in the entire Far West.

The institute's economic analysis found that California's phenomenal rate of growth since 1940 no longer can be sustained without important changes taking place in the economic lineup of the state.

Here's the reasoning: Population increase, sparked and largely maintained first by wartime production and then by postwar defense industries, finally has reached the point of diminishing returns. Too many products now must be imported from outside the state to service industry and population with the result that relatively higher costs all along the line are tending to retard further expansion.

To deal with the problem, which in the final analysis is mainly one of transportation, California will have to increase local production of goods which up to now have been "imported" in

quantity from other industrial regions. SRI economists put metalworking at the very top of the list, predicting that more than 150,000 new jobs will be created in that field by 1970.

The trend of "import substitution" will range all the way from establishment of chocolate production facilities to the probable creation of additional primary steel capacity.

While the Los Angeles area will continue to grow considerably, the SRI report predicted that the San Francisco Bay Area would maintain the higher growth rate. The north, for instance, is expected to receive well over half the new metalworking jobs to be created.

The shift in defense orientation from aircraft to missiles is helping push the path of industry northwards. Much of the new missile expansion will continue to occur in the north, bringing with it a bevy of related industry such as metalworking and electronics.

Thus, defense industries are expected to do for Northern California in the 1960's what they did for Southern California during the previous decade.

Purchasing agents who only now are beginning to feel comfortable in the growing deluge of black boxes, technical jargon, and sales literature pouring forth from electronics manufacturers may yet be in for a more rugged period of reeducation. The electronics industry is heading for still more big, basic changes.

What's happening is this: A radically new "generation" of electronic equipment is filtering from the brains of physicists onto the drawing boards of engineers. By the time this new componentry finds its way to the production line and the sales brochure, the purchasing agent had better be prepared to put it to work.

Forewarnings of the trend were sounded here last month at the National Electronic Components Conference. While scientists were eagerly describing a wealth of new hardware ranging from high voltage components to microminiaturized circuits, marketing men behind the scenes were expressing sober concern over how best to sell such new and coming devices. "How," they seemed to ask, "will the electronics industry orient its marketing efforts to take fullest advantage of present and future technical developments?"

Coming Events

Key to coming electronic events, as described at San Francisco, is microminiaturization and its close cousin, the molecular circuit. Much work in these fields is being done within 50 miles of San Francisco.

For instance, Stanford Research Institute is carrying on an active program to develop means of creating elements so small that as many as 100-million could be placed, interconnected, on a thin layer one inch square. Such layers could be stacked to form extremely complex modular memory units with extraordinary control and logic potential. (Production approach is to use a fine electron beam which initiates chemical changes in a base material to create, in effect, a multiplicity of elements.)

While the SRI research is admittedly aimed several years in the future, less advanced but somewhat similar developments at Fairchild Semiconductor Corp., (Continued on page 25)



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Mountain View, are much closer to the market.

Fairchild physicists are developing so-called "micrologic" elements that look like ordinary transistors but actually contain complete, discrete circuits. Eliminating a large part of the need for wiring and printed circuit boards, the "micrologic" units will cut space requirements by 95% and power requirements by 75%, making possible far more sophisticated units without space penalty.

In supporting developments of this nature, electronic industry management in the Bay Area is beginning to realize that the traditional organizational postulate of industry—that circuits are made out of components—eventually will be as obsolete as tubes and wires.

New Marketing Approach

What sort of marketing approach will the industry have to adopt to sell a component that is in reality an entire circuit? It may sound like a far out or academic question right now, but the purchasing agent who keeps alert to these developments may be able to put the more complex black box of the future to work faster for his company.

Standard Oil of California and IBM are putting the finishing touches on a process control system which promises to mark an important "first" for both the oil and chemical industries. One day this summer Standard engineers will pull switches that will tie the company's big fluid catalytic cracker at El Segundo into a specially built \$250,000 digital computer.

The result will be the largest, most complex refinery unit ever controlled by a machine. If the control system works as expected, it will increase the plant's gasoline production substantially in rela-

tion to its 40,000 bbl./day of fresh feed intake.

Job of the computer is to monitor 75 separate points of process information at various points in the plant, analyze them in relation to each other, then provide the refinery operator with a series of suggested control settings which would tend to optimize plant production.

Monitoring, analysis, and computations will be made many times faster than would be possible by a man armed with slide-rule and notebook. In fact, the computer will be programmed to provide readout every 15-20 minutes.

Standard says that a 2% in-

crease in production will more than offset the cost of putting in the controls. Such an improvement, or a larger one, will mark a major milestone in process automation and will be copied extensively in related industries.

But even more important is this: Success of the system initially would put Standard only a whisper away from completing the control cycle by installing servomechanisms to carry out, automatically, printed optimization suggestions from the computer. Thus an engineer's dream—a fully automated process plant—may be right around the corner.

Nopco Chemical Acquires 6 Clark Foam Concerns

Newark, N. J.—Nopco Chemical Co. is broadening its product line through recent acquisition of six Midwest foam companies from the D & W Clark Corp.

The six companies all make and distribute urethane foam, as well as foam rubber, upholstery fabrics, vinyl sheeting and fiber products used primarily in the furniture, bedding and cushioning industries.

The six companies are: Clark Foam Products Co., Inc., Chicago; Clark Products, Inc., Evansville, Ind.; Clark Products,

Inc., Omaha; Clark Foam Rubber & Fabrics, Inc., Denver; Clark Foam Rubber, Inc., Minneapolis; and Clark Fibre Products, Inc.

Republic Broadens Line

Cleveland—Republic Steel Corp. is adding 400 new sizes and gages to its line of round, square, and rectangular tubing. The company now is offering carbon steel rounds up to 6-in. O. D. with a .250-in. wall, squares to 5-in. a side with a .250-in. wall, and rectangular sizes in peripheries to 20 in.

Republic recently expanded facilities at its steel and tubes plant in Ferndale, Mich.

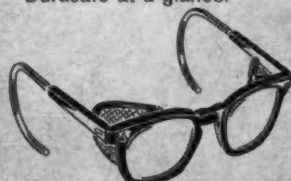
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Dow Chemical Develops New Hot-Dip Process For Galvanizing of Steel

Freeport, Tex.—Dow Chemical has developed a new process for hot-dip galvanizing of steel that is said to improve corrosion resistance of zinc coatings by 20% to 90%.

The increased protection is obtained by adding small amounts of magnesium to the galvanizing bath. The new process costs from 1% to 3% more than conventional hot-dip methods, but according to a spokesman of Dow's Texas Div., "The increased cost is negligible when compared with the increased benefits."

First product galvanized with the magnesium-additive process to hit the market is chain link fence coated by Nowery J. Smith Co., Houston. Dow said the fence will be marketed at no increase in cost by Anchor Fence Division of Anchor Post Products, Inc.

In working out the new process, Dow said it had added ingot magnesium to the galvanizing bath in amounts of .04% to .05% by weight. However, the process now has been simplified by the development of a new zinc-magnesium alloy that can be added to the bath more easily than ingot magnesium. The alloy contains 97% prime western zinc and 3% magnesium.

Price Shading Foreseen in Handling Equipment

New York—The hard sell is on in the materials handling equipment field, according to a number of producers surveyed by PURCHASING WEEK. And competition is expected to get keener in both prices and servicing in the near future.

The reason: The spring surge in sales of this equipment is beginning to taper off. The demand pickup started in March when the Material Handling Institute figures showed a 20% gain over February bookings. Distributors indicate that April sales went 10% to 15% above the March level.

Sales Drop Back

"But May sales fell back to nearly the March level, and June inquiries aren't showing much strength," observed a big Eastern fork lift truck producer, describing a pattern that also holds for other major manufacturers.

Prices which had firmed in March (see chart) may weaken with the turn in demand.

"Price shading was a problem even during the March-April pickup," commented a Cleveland industrial lift truck manufacturer with national distribution, "and it's bound to get worse if business doesn't pick up."

"Discounting has gotten pretty wild," said a Michigan packaging conveyor firm. "We're trying to keep our quotes stable, and stressing a complete servicing setup from engineering help to installation and maintenance."

Another sign of this pessimistic price outlook is the failure of most producers to go along with Clark Equipment Co.'s 3% increase for gas, electric, and propane powered fork truck tags. Clark installed its increase on March 1; Hyster Co., on March 20, was the only other big manufacturer to follow suit.

"We're still considering it," said a Cleveland firm. "We'd like to raise our prices because of the way our costs have been going up. But we have to balance this against the current competitive situation and that looks rough."

Competitive price pressure would ease considerably, the industry feels, if President Kennedy's investment tax credit pro-

gram is passed by Congress. The Administration proposal permits firms to subtract a part of their new investment in plant and equipment from their final tax bill.

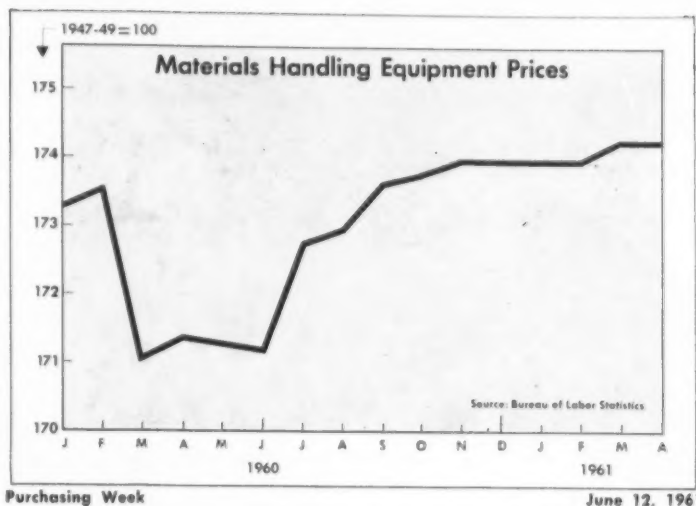
"If that goes through it will be a real shot in the arm," said one executive. "It would provide the sort of stimulation demand needs right now."

An interesting by-product of the tax incentive plan, in the opinion of many industry people, would be a slowdown in leasing and rental of equipment. Leasing

has been a rapidly growing part of the over-all materials handling equipment picture.

"Since the proposal gives a tax advantage to companies who buy equipment, it would definitely tend to stimulate more interest in purchasing outright rather than leasing," said Robert Fairbank, vice president of sales for Towmotor.

This trend may have already begun. A number of industrial truck and conveyor equipment companies reported a drop in their leasing operations recently.



Pan American Starts Up LiquidSulphurShipments

Tampa, Fla.—Pan American Sulphur Co. has started making ocean shipments of liquid sulphur from its mines in Mexico to East Coast ports.

First of the shipments was delivered to the company's storage terminal here by the S. S. Etude, a converted T-2 tanker capable of carrying over 15,000 tons of molten sulphur. The tanker, which is under long-term lease to Pasco, also will transport cargoes to other Eastern ports such as New York, Philadelphia, and Richmond.

A Pasco spokesman said delivery of sulphur in liquid form assures customers of greater product purity, greater ease of handling and protects them against dust losses. Sales from the mines in Jaltipan, Mexico, now approach 1-million tons annually and the company plans to ship almost half this total in liquid form he said.

New ideas in punched

How your IBM supplies specialist helps you find ways to cut your punched card costs

How can a redesigned punched card improve your data processing efficiency?

Your IBM supplies specialist can tell you...and show you ways to redesign your cards to give you new data processing economies.

Your IBM supplies specialist is a man with extensive training in data processing supplies. That's why

he is uniquely qualified to help you match the punched card to the job that you want to do.

There's virtually no limit to the practical cost-saving ideas he offers you for:

SAMPLE CARD SELECTION—You can look over thousands of card formats, filed by industry and application. One or more of these may provide the key to the card design problem that's troubling you.

DESIGN ASSISTANCE—Our designers are at your service through a nationwide network of Card Design Cen-

New Thermoplastic Being Put on Market by Cadco

Detroit—Cadillac Plastic & Chemical Co. is marketing a new transparent thermoplastic called lexan polycarbonate in warehouse shapes of sheet, plate, and rod. Cadco claims the thermoplastic has the impact strength heat stability, and creep resistance of glass-reinforced plastic.

Cadco rods will be sold in diameters from 1/4-in. to 8-in., in standard lengths of 6 ft., with other sizes available on special order. Sheets will be available in thicknesses ranging from 1/4-in. to 1 1/2-in. and in widths up to

12-in. Standard lengths will be 3-ft. or 4-ft. depending on thickness.

Cadco expects new shapes will be used for such applications as ball and roller bearings, structural housings, hydraulic fittings, and coiled forms.

Larger Plant for Bilco

Chicago—Bilco Best Fittings Manufacturing Co., Inc., has acquired a larger and more modern plant to house both its manufacturing and warehousing facilities. Bilco, formerly called Best Fittings Mfg. Co., produces steel, brass, aluminum and stainless steel pipe fittings.

Industry News in Brief

Merger Is Ok'd

Cleveland—Diamond Alkali Co. has agreed on terms for mergers with Chemical Process Co. and Bessemer Limestone & Cement Co. Chemical Process produces polyester resins (for plastics and adhesives) and ion exchange resins, which are used chiefly in water purification, sugar refining, and pharmaceuticals. Diamond shareholders will be asked to approve the consolidations at a special meeting Aug. 15.

Wellman Moves

Bay City, Mich.—Wellman Bronze & Aluminum Co. has moved its plant facilities from Cleveland to the old Dow Metal Products magnesium and aluminum casting plant here. Wellman said the move will enable it to make a major increase in its production of aluminum castings.

NAE Maps Program

West Lynn, Mass.—North American Electronics, Inc., has

established a nationwide authorized industrial distributor program for three of its product lines—silicon rectifiers, controlled rectifiers, and voltage regulators. North American said the distributors will carry stocks in depth and offer factory prices in quantities.

Construction Started

San Diego—Westinghouse Electric Corp. has begun construction of a plant to convert sea water to fresh water at Point Loma, near San Diego. A contract for the project, awarded by the U.S. Dept. of Interior, calls for completion by next November. The plant, with a capacity of 1-million gal. a day will be the largest multi-stage flash-evaporator facility in the United States, Westinghouse said.

GE Expands Plant

Auburn, N. Y.—General Electric announced it will break ground this summer for a new \$5-million addition to its present semiconductor rectifier plant here—doubling the size of the plant's present operation. GE also said it has moved its Silicone Products Dept. sales office in Michigan from Detroit to Oak Park.

Kaiser Restarts Potline

Oakland, Calif.—Kaiser Aluminum & Chemical Corp. is re-starting another potline at its Mead, Wash., reduction plant. With the additional start, seven of the plant's eight lines will be in operation. Approximately 125 workers are being recalled.

Stylon Buys Cal-Mar

Boston—Stylon Corp., one of the nation's largest producers of ceramic tile for the construction industry, has acquired Cal-Mar Tile Mfg. Co., Salt Lake City. The Cal-Mar plant can produce 500,000 sq. ft. of ceramic tile annually.

Oronite Opens Terminal

San Francisco—Oronite Div. of California Chemical Co., subsidiary of Standard Oil of California, has opened a new bulk storage terminal in Chicago to distribute acetone. The new terminal will provide the Midwest area with one day service on tank car and tank wagon deliveries.

Wyandotte to Build

Wyandotte, Mich.—Wyandotte Chemicals Corp. will construct a new \$3.5-million plant to produce propylene oxide—an important raw material used in the manufacture of chemicals for detergents and flexible and rigid urethane foams.

Harper Opens Warehouse

Miami—H. M. Harper Co., Morton Grove, Ill., manufacturer of nonferrous and stainless steel fasteners, has opened a new warehouse here to stock a complete line of its products. The company also produces stainless steel and carbon steel industrial extruded shapes.

CUSTOMER METHODS MEN AND AN IBM SUPPLIES SPECIALIST (left) study a stock card form book and flow charts. By matching the card to the job, you get the most out of your data processing equipment.



THE RIGHT DESIGN. Thousands of stock, special, and continuous card forms, books and sets are on file at IBM Card Sample Centers. One of them might solve your problem.



NEED A SPECIAL CARD? IBM research has developed scented-ink, water-resistant, magnetic-ink-encoded cards—and a host of others, including cards printed in full color.



CREATIVE SKILLS AT YOUR SERVICE. At thirteen IBM Design Centers across the country, experts create cards to meet your specific needs, and bring new efficiency to your data processing operation.

card design

ters. These experts can help you to develop your own card ideas, to apply existing formats, or to create new, exclusive designs for solving your problems.

EDUCATION—Seminars at our customer education centers, informative literature and plant tours keep you up-to-date on the latest techniques in designing, using and caring for your IBM cards.

FAST CARD DELIVERY—Whether your order is large or small, you get fast service from nationwide manu-

facturing facilities. IBM gives you prompt service, too, on card designs and card proofs.

Your IBM supplies specialist is the man with the complete punched card story. Let him help you with solutions to your card problems.

IBM DATA PROCESSING

How Would You Award These Bids?

User	Supplier Bidding			
	Amount and Cost/gal. Delivered			
	Fuel Required	Space Age Petroleum Co. 150 gal.	No Knock Oil Products, Inc. 150 gal.	Filler-Up Oil Co. 350 gal.
Base 1	100 gal.	7.8¢	6.0¢	8.0¢
Base 2	100 gal.	6.0¢	5.0¢	10.0¢
Base 3	100 gal.	5.3¢	4.0¢	6.0¢
Base 4	100 gal.	10.0¢	5.1¢	7.0¢

Computer Helps Military Procurement

Washington—The Military Petroleum Supply Agency (MPSA) is using an electronic computer to evaluate bids to supply jet fuel to the armed forces, one of the biggest and most complicated jobs of military procurement.

Initial results indicate, according to MPSA officials, that the government will be able to shave costs by as much as 1 1/4 % on the \$1-billion/yr. it lets out in fuel contracts when the system is applied to the entire agency buying operation. This saving would

total \$12.5-million. Right now plans are underway to extend the use of computers to some 95% of MPSA's contracting from sealed bids.

MPSA, which does the petroleum buying for all the services, studied the vast problem of purchasing jet fuel for three years, with an eye to programing the entire operation for a computer. The basic problem: to get the cheapest fuel offered, delivered by the cheapest method of transportation.

In the first computer run using a six-month requirement of jet fuel worth about \$200-million, approximately 100 companies offered 525 bid items, from 275 shipping points, adding up to 3-billion gal. of fuel. On the receiving end, 270 Air Force bases required 2-billion gal.

As many as five means of transportation—pipeline, barge, tanker, tank truck, and tank car—through 51 transfer points, where the method of transport can be changed, are possible in supplying some of the bases. In all, the computer swallowed 4,200 transportation rates.

Mass of 'Restrains'

Imposed on this basic problem was a mass of "restraints" such as company tie-ins. For instance, a qualification in a covering letter that everything awarded to company "A" must be deducted from the offering of Company "Z" is a simple form of tie-in.

Also, there are escalations and special discounts, plus the federal restrictions on oil imports to be considered. Each importing company, as well as MPSA, has a quota; and MPSA must decide how to use its quota most advantageously to get the most out of the less costly foreign oil. And for each requirement, MPSA must decide whether to supply transportation itself, or rely on the supplier.

First step in using the computer system is to translate all information on offers, transportation rates, and requirements to data cards. This operation alone takes about a week.

The computer, which is programmed to accept common language instructions and print out common language solutions, translates all the information into a "matrix," (like the simple two-way table above left) which has only three suppliers and four users. In actual practice, MPSA is faced with a jet fuel problem involving over 300 suppliers and 300 users.

Working Up

A common approach to the sample problem would be to use as much of the cheapest material offered as possible, and work up by price until all the requirements are filled. Following this method, the obvious solution is to supply Base #3 fully at 4¢/gal. from "No Knock Oil Products, Inc." The remaining 50 gal. offered by No Knock would go to Base #2 at 5¢/gal. Add to that 50 gal. from "Space Age Petroleum Co." at 6¢/gal. and Base #2 is completely supplied. Base #1 would get its full 100 gal. from Space Age at 7.8¢, and finally, Base #4 gets 100 gal. from "Filler-Up Oil Co." at 7¢/gal.

Faster and Surer

The quick, obvious solution adds up to \$24.30 for the entire requirement of 400 gal. With a little time, an experienced buyer can refine the total to \$23.75, or even to the lowest possible answer, \$23.65. But a computer properly programed can find the lowest answer faster and surer. As seen in the answer box above, the best solution uses only 50 gal. of the cheapest material, selling for 4¢/gal. And the scope of MPSA's buying problem is in-

First from General Electric (1959)...

another bright idea that became a better lamp for you... Quartzline lamp

packs more light in less space than any other filament lamp

Listen to the nearsighted Mister Magoo . . . "1959? Seems like last week! I volunteered but the authorities picked seven other Astronauts—and General Electric invented the Quartzline lamp. Happy birthday, Quartzline. Tarnation! This confounded pen won't write!"

Understandable mistake, Mister Magoo. The 5-inch, 500-watt Quartzline is no bigger than a pen. But it's 19% more efficient than a regular lamp, never grows dim, and gives you better light control than any earlier lamp.

Every Quartzline lamp stays almost 100% bright throughout its life—because General Electric engineering leadership found a way to keep tungsten vapor from blackening the glass. G.E. puts iodine gas in the lamp to catch the particles evaporating from the tungsten filament. Miraculously, the iodine re-deposits them, over and over again, on the steadily-bright filament. This process makes the 5-inch Quartzline last 2000 hours, twice as long as a regular bulb-shaped lamp.

Use Quartzline with the right reflector, and it'll give you a precise, powerful, rectangular beam of light in one direction—as narrow as 6° or as wide as 100°. No elaborate lens system is needed.

Or take the big-brother model, the 10-inch, 1500-watt Quartzline. It's 50% more efficient throughout its life than a standard 1500-watter of comparable voltage.

Applications? Stadiums. Airport runways. Building facades. Show windows. Inspection or outdoor work areas. Don't worry about rain and snow. Quartzline resists thermal shock.

Ask your G-E distributor for more information on Quartzline lamps—small proof of General Electric lighting leadership! General Electric Co., Large Lamp Dept. C-110, Nela Park, Cleveland 12, Ohio.



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**GENERAL
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Officers to Evaluate Bids on Jet Fuel

initely more tangled than this simple puzzle.

Actually, the jet fuel problem is a variation of the linear transportation problem (see PW, May 29, '61, p. 24), which works on the basis of the computer's ability to evaluate an almost infinite number of alternatives and come up with the cheapest solution. The achievement of the MPSA system was to set up the computer so that it could handle mathematically the many "restraints" and variations required in the agency's operation. This task required some careful coordination between machines and purchasing.

Making a Smooth Operation

The job of combining the EDP know-how of J. W. Smith of the Navy Management Office and the fuel procurement experience of Forest V. Thompson, chief jet fuel buyer for MPSA, fell to Maj. H. A. Waggener, mechanization project officer. Waggener had to insure that the two complicated procedures—programming and buying—jelled into an accurate, smooth running operation.

Besides the dollar savings realized from this kind of mechanization, shortening the time between the date a company must bid and the date it must begin delivery is an important objective. By cutting the lag, the user gets a more accurate picture of his requirements, and the bidder gets a closer look at the market.

In some instances, a closer market-price timing may result in higher prices to the government. Over the long run, however, the bidder would have fewer contingencies to guard against, and would be able to bid lower.

When the computer system is in full swing, MPSA hopes that evaluation time will be cut in half. On jet fuel, it would mean a reduction from two months to a month. Some of the time saved may be given to the suppliers between the award of bids and the start of deliveries.

Complete Mechanization

Not content with their success so far, designers of the MPSA system are working on a new goal—complete mechanization of bid evaluation.

Another possibility: Using the computer for short range price forecasts. This kind of electronic crystal ball gazing would help the buyers to decide whether they should sign contracts with one way escalations, two-way escalations, or firm prices only.

The system Smith, Waggener, and Thompson helped to devise for MPSA is designed to handle the agency's biggest dollar volume product, jet fuel. At one point, the agency felt that it would be better to start with a simple requirement and approach the jet fuel system gradually. Waggener now reports that the decision to dig into the big problem at once turned out to be a wise one, since it will be easier to modify the big system to fit smaller problems.

Last month, the computer proved its versatility by evaluating bids on packaged jet engine lubricants—a much smaller problem than jet fuels. Compared

with the \$200-million in jet fuel requirements annually—involving 300 suppliers and 300 users—the package lube order includes only 25 suppliers and 125 users and totals about \$1.2-million/yr.

The principal modification required in this case was a provision to guard against spoilage, which may occur when the award is made to a single supplier. To guard against this, the computer has been programmed so that no more than 25% of the total con-

tracts for packaged lube can go to any one supplier.

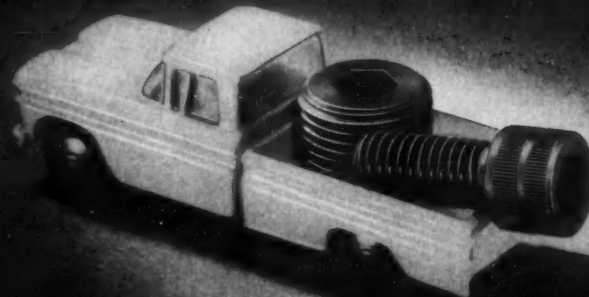
The machine has other built-in checking arrangements as well. For example, if a rate for one means of transportation is not cranked in, and a bid goes through showing that particular method of transportation between two points, the machine prints out what's wrong in plain words—and then waits for a decision by MPSA on whether to make a correction at that time or to continue on without the rate.

Here's How a Computer Does It

User	Fuel Required	Supplier Bids Accepted	Amount Accepted
Base 1	100 gal.	No Knock Oil Products, Inc.	100 gal. @ 6.0¢
Base 2	100 gal.	Space Age Petroleum Co.	100 gal. @ 6.0¢
Base 3	100 gal.	Space Age Petroleum Co.	50 gal. @ 5.3¢
		No Knock Oil Products, Inc.	50 gal. @ 4.0¢
Base 4	100 gal.	Filler-Up Oil Co.	100 gal. @ 7.0¢

Total Cost: \$23.65

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Boney Sees Fiercer Rivalry for Top P. A. Jobs

Chicago — Retiring NAPA President Paisley Boney told association members last week they had better "wake up to the fact that among purchasing people there is going to be greater competition at the present level" than ever before.

The purchasing man who fails to keep up with new management techniques and changing economic conditions "might as well sign his own death warrant," Boney said in a major plea for active participation in professional development and other NAPA activities.

While chiding the P.A. who fails to keep up with the times, the NAPA chief for 1960-61 also denounced top management executives who fail to take purchasing "as seriously as they should." He cited the "Chrysler case" and the electrical equipment industry pricing conspiracies as examples of what can happen when company officers take over responsibilities that should remain in purchasing and sales departments. In such situations, he said, "basic merchandising principles and ethics are too often ignored."

The probabilities are that these same practices exist in other companies and industries," Boney said. "But, it is definitely not the fault of purchasing departments or sales departments."

In his plea to NAPA members to keep abreast of new management practices, Boney said: "There is going to be little room left for the individual who never quite developed his abilities up to par. 'The boys with 10 years of experience gained by simply going through the same routines 10 times will not make the grade. They are going to be flattened by the rolling adjustment to the increasing complexities of purchasing.'"

Hammering on the theme of purchasing's contribution to corporate profits, the J. P. Stevens Co. purchasing executive said P.A.'s now have their "greatest opportunity in history" to really contribute to the profit picture. Management finally is realizing this, he said, but for purchasing to take advantage of the opportunity "we must have new ideas, new techniques, and a new approach, such as an entirely new concept of negotiation."

To this there is only one answer—"education," said Boney. In a review of the past year Boney pointed out that NAPA officials had worked to lay the

groundwork for launching a comprehensive professional development program.

Meanwhile, Boney said, management advisors are telling corporate officials that purchasing is just about the most important function in today's business community—and "the most neglected." He said management consultants "too often" find purchasing departments headed by a "mediocre member of middle management when its head should be one of the best qualified and highly respected mem-

bers of the top management team."

Boney, who last month returned from a four-week tour of Western Europe, also made a plea for an increase in international commerce as a block to the spread of communism. He advocated the formation of an international federation of purchasing as an aid to world commerce and said an NAPA committee already was studying the problems and possible benefits to NAPA members that would result from such an organization.

Warner Named President Of P. A. Group in Akron

Akron, Ohio—C. B. Warner, assistant purchasing agent for the Babcock & Wilcox Co.'s boiler division, was elected president of the Purchasing Agents Assn. of Akron. He succeeds L. M. Pettit, purchasing agent for the Kent Machine Co.

Other officers elected were: A. B. Reash of Frank J. Stolzka & Sons, as first vice president; D. W. Alexander, Ohio Brass Co., secretary, and J. J. Williams, Packaging Corp. of America, treasurer.

New directors are: J. J. Davis,

Republic Structural Inc.; S. E. Campbell, Lamb Electric Co., Kent, and H. H. Fuller, Hardware & Supply Co.

Montreal P.A.'s Elect

Montreal, Que. — C. D. M. Butler, purchasing agent for Bathurst Containers, Ltd., was elected president of the Purchasing Agents Assn. of Montreal.

Other new officers are: J. L. Renaud, City of Montreal, first vice president. R. L. Argue, Aluminum Co. of Canada Ltd., 2nd vice president; J. E. Childs, Canadian Schenley, Ltd., secretary; W. F. V. Foster, Canadian Pratt & Whitney, treasurer.



Oklahoma House Passes Bill to Centralize Buying

Oklahoma City—The lower house of the Oklahoma legislature has passed a bill aimed at centralizing purchases involving state funds by colleges and universities under the supervision of the board of regents.

Backers of the measure claim it would raise the amount of state buying through central purchasing from \$55-million to \$85-million annually and that it would save the schools about 14% in the cost of their purchases per year.

An amendment to the bill provides that the colleges and universities can continue direct purchasing of items on which they receive "educational discounts."



**DIRECT
LINE
SERVICE**

BRIDGEPORT A

Tire Savings

Indianapolis — Indiana will save an average of \$2 and \$3 per tire on tires bought this year by the Division of Public Works and Safety.

In announcing the low bidders for 1961 tire contracts, a division spokesman cited as an example top quality tires for state police vehicles, which will cost the state \$11.50 each this year compared with \$15.50 last year.

The low bid for supplying these tires was submitted by Blue & White Service, Indianapolis, a distributor of Gillette Tires.

Purchasing Week's

Transportation Memos

OPERATING RATIOS HIT: Shippers lashed out at operating ratios, which they said are not high enough to justify the rate hikes proposed by the East Central Motor Carriers Assn. The new rate plan, scheduled to go into effect June 12, would eliminate commodity classifications on shipments of less than 300 lb. and would base charges entirely on weight and distance shipped. Commodity rates on shipments from 300 to 3,000 lb. also would be raised.

A Ford Motor Co. spokesman said the Assn.'s operating ratio for truckload shipments of auto parts already is 90.7%—or 2.3% better than the 93% ratio which the ICC says is "good."

In reply to the association's claim that shipments of some commodities operate at 105%, Ford asserted that the motor carriers should concentrate on reducing operating expenses for these commodities and not penalize all shippers for the added cost of moving some materials.

RATE INCREASES: The Illinois Intrastate Motor Carrier Rate and Tariff Bureau proposed a boost in class rates, as follows: 0-999 lb. shipments, 35¢/cwt; 1,000-1,999, 20¢/cwt; 2,000-4,999, 5¢/cwt; 5,000 and over, 4¢/cwt, and truckload, 2¢/cwt. New rates were proposed in lieu of emergency surcharges and other increased rates now in effect.

The Rocky Mountain Motor Tariff Bureau also proposed a 6% increase on all rates and charges between the industrial East and Colorado and Wyoming.

GLOOMY SEAWAY SEASON: St. Lawrence Seaway traffic is expected to total less than 25-million tons this year—25% below pre-construction estimates. Prediction was made by Montreal shippers, who attribute the decline to increased freight rates and higher vessel insurance costs, plus the uncertain pilotage situation earlier this year.

THREAT TO TRUCKERS: Long distance truckers will be the first to suffer from the impact of air cargo competition, says Alfred E. Perlman, New York Central System president.

Perlman told the National Press Club in Washington that air cargo probably will force long haul truckers out of business by 1975. Motor carriers probably should never have gone into business on routes over 500 miles long in the first place, he added.

AIRLINE MERGER COMPLETED: The Civil Aeronautics Board transferred the routes of Capital Airlines to United Airlines, making United the nation's largest airline. Prior to the merger, United had ranked as second in size behind American Airlines.

The merger had been attacked by other airlines, who claimed it would hurt their competitive position. The U.S. Court of Appeals in Washington, however, refused to block the merger as requested by Northwest and Delta Airlines.

Industry observers said that, failing further legal efforts to undo the merger, the United-Capital consolidation may trigger a rash of mergers by competing airlines.

HELP FOR RAILROADS: A bill introduced in the House of Representatives by Frank Icard (D-Tex.) would amend the Internal Revenue Code of 1954 to allow railroads a tax credit equal to the deficit in their passenger service operations.

The proposal is believed to have a better chance for passage than similar legislation that has been introduced in the past.

WHISTLESTOPS: Flying Tiger Line took delivery of the first of ten CL-44 all-cargo, jet-freighters which it has ordered from Canadair, Ltd., Montreal. The airline plans to start putting the new planes in service by Oct. 1. . . . Sea-Land Service, which last April inaugurated the only scheduled eastbound inter-coastal operation, has started making a westbound run from New York to California and Oregon.

NEED QUICK-RESPONSE SERVICE?

There's no "big company" inertia in our service for this simple reason:—every Bridgeport salesman and deskman can contact our technical management, our mills, or sales decision makers *directly*. There are no layers of "staff handling" to slow things down. This "Direct Line" service pays off for those with fast-developing or unanticipated requirements and it has paid off for us in developing a well pleased customer list. Join them by calling us for your flat or coiled sheet needs.

Aluminum sheet is rolled to "special metals" quality by Bridgeport's modern mills at Warren, Ohio and Riverside, California. Well stocked Bridgeport Metal Service Centers provide quick local service in major metalworking areas nationwide. Bridgeport salesmen and deskmen offer a helpful objective service to metal buyers in the proper selection of aluminum, brass and copper alloys . . . call Bridgeport Brass Company, Bridgeport 2, Connecticut . . . offices in principal cities.

COILED AND FLAT SHEET: WIDTHS TO 48", GAUGES 0.006" to 0.125"—**IN ALLOYS:** 1100, 1145, 3003, 3004, 5005, 5050, 5052, 5357, 5457, 5557 . . . Bringing 95 years of metals experience to the production of quality aluminum.

**BRIDGEPORT
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ALUMINUM SHEET

Bridgeport

The Law and You

Here is a roundup of recent court decisions, tax rulings, and new and pending legislation affecting various phases of procurement operations:

In **Ohio** a corporation's purchase of such items as repair parts and lubricants for a plane it leases for flying its executives on various business missions, mostly outside the state, are subject to the sales tax (*Nationwide Transport Association, Inc., v. Bowers*, Ohio Board of Tax Appeals).

In **Pennsylvania**, for purpose of the manufacturing exemption granted under the sales and use taxes, the heat treating of metals is not considered "manufacturing." An operation is considered "manufacturing" only if a new and different product is created

(*Commonwealth v. Donovan Co.*, Dauphin County Court of Common Pleas).

In **Washington** the business and occupation tax does not apply to sales of cars and other goods shipped to the buyer from outside the state when the orders were placed with offices outside the state. The sales are exempt under the Commerce Clause in the U.S. Constitution. But sales made from a Washington office are taxable even though the goods are shipped from outside the state since there is a direct connection with the state. The state will appeal the decision in light of the U.S. Supreme Court decision in the Scripto case (*General Motors Corp., v. Washington*, Superior Court of Thurston County).

In **Illinois** sales to the United States are exempt from the sales tax. Olin Mathieson Chemical Corp. sold and delivered, in Illinois, engine parts to the Air Force. The federal government agreed to reimburse Olin Mathieson if it was required to pay the Illinois sales tax. The U.S. District Court held that the imposition of Illinois sales tax on sales to the federal government

violated the U.S. Constitution. Since the tax is not imposed on sales made to the state of Illinois and its political subdivisions, it discriminated against the United States and those with whom it deals (*United States and Olin Mathieson Chemical Corp. v. Department of Recovery*, U.S. District Court, Northern Dist. of Ill.).

New Laws

In **Louisiana** all raw materials, goods, commodities and articles imported into the state from outside the U.S. are exempt from property taxation while held in the original packages or when held in bulk to be used solely for manufacturing. The exemption also applies to raw materials, goods, etc. held on the docks of a common carrier, on public property of a port authority and other storage facilities while awaiting export to points outside the U.S. Property stored in Louisiana while in transit through the state in interstate commerce is also exempt (Act 618, Laws 1960).

In **Michigan** the sales and use taxes are increased from 3% to 4% (Acts 1 and 2).

In **Tennessee** personal property moving in interstate commerce through Tennessee or consigned to a warehouse within the state from outside the state, for storage pending transit to a final destination which is also outside the state, is exempt from property taxation (Ch. 310).

Proposed Legislation

Illinois would redefine "selling price" in the sales and use tax laws to exclude charges added to prices by sellers because of their federal excise tax liability (H. B. 184, H. B. 185). It would retain the 3% sales and use taxes until July 1, 1963. The 3% rate would otherwise revert to 2.5% after June 30, 1961 (H. B. 768, H. B. 769).

Vermont would impose a 3% sales and use tax on all tangible personal property sold at retail or used or stored in the state (H. B. 381).

California would exclude from the measure of the sales and use taxes the amount of any manufacturers' or importers' excise tax, as well as any other tax imposed by the federal government upon or with respect to retail sales (A. B. 437). It would exempt from personal property taxation all raw materials imported into the state for further manufacturing or processing as long as they are held in the original form in which they were imported in bulk or bales, barrels, boxes, etc. or other original packages by the importer as raw materials for manufacturing or processing (A. B. 527).

Idaho, beginning July 1, 1961, would levy a 3% sales and use tax on the sale at retail or use of tangible property within the state (A. B. 91).

Kansas would expand the present definition of "purchase price" to include the cost of transportation from the point of purchase to the point of use for purposes of the retail sales tax. Personal property purchased out-of-state and manufactured into a finished product would have included as part of the "purchase price" the transportation charges to and from the place of manufacture (S. B. 112).

Minnesota would exempt from (Continued on page 34)

GAYLORD packaging service is "right next door"

Wherever you are, there's a Gaylord Man nearby. He's always ready to lend a hand with any container project — plus a head full of practical knowledge about your entire packaging and shipping operation.

And he is backed up by a fully-integrated nationwide organization, staffed and equipped to give you complete service.

Find out what a good neighbor he can be. Give him a call today.



CROWN ZELLERBACH CORPORATION
GAYLORD CONTAINER DIVISION



IN CANADA - CROWN ZELLERBACH
CANADA LTD. VANCOUVER, B. C.
HEADQUARTERS, ST. LOUIS
PLANTS COAST TO COAST

WHAT'S NEWS IN ENJAY TECHNICAL SERVICE



Enjay helps reduce cost of 90°C vinyl wire insulation...

An important part of Enjay Technical Service is developing useful new products that reduce costs, yet maintain performance. Ditridecyl phthalate for use in plasticizing vinyl wire insulation is a good example of this research activity. By tests, such as the oven aging shown above, Enjay was able to prove that DTDP, made from Enjay tridecyl alcohol, performs as an efficient, non-volatile plasticizer for 90°C wire — yet reduces plasticizer cost.

Test results, at right, show that the insulation exceeds the U.L. Specifications.

Enjay research facilities and technical skills are available to customers in the vinyl wire, film and sheeting industries.

If you would like to receive a free copy of our new Technical Bulletin No. 20 on Enjay oxo alcohol for plasticizers, write to 15 West 51st Street, New York 19, N. Y.

TEST RESULTS: 7 DAYS @ 121°C

	U. L. Specification Minimum	DTDP Plasticizer
Elongation	65% retention	100% retention
Tensile Strength	65% retention	101% retention
Dielectric Strength	50% retention	127% retention
Insulation Resistance*	.01 megohm based on 1000 ft.	0.36 megohm based on 1000 ft.

* 1 day and 7 days @ 113°C.

EXCITING NEW PRODUCTS THROUGH PETRO-CHEMISTRY

ENJAY CHEMICAL COMPANY

A DIVISION OF HUMBLE OIL & REFINING COMPANY



The Law and You

(Continued from page 32) taxation original packages of merchandise shipped into the state by a nonresident for temporary storage, while enroute to a final destination outside the state. Goods and merchandise (excluding minerals) manufactured in Minnesota and consigned for out-of-state shipment would also be exempt while stored in the original package in a state-licensed commercial storage warehouse (S.B. 223).

Utah would increase the sales

and use tax from 2% to 2.5% (S.B. 85).

West Virginia would permanently increase the sales tax to 3% beginning Sept. 1, 1961. The temporary additional 1% increase from the 2% rate expires Aug. 31, 1961 (H.B. 151).

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

Profitable Reading for P.A.'s

Cost Reduction Guide for Manufacturing Management, by E. E. Wyatt and H. Clifton Morse. Published by Hitchcock Publishing Co., Wheaton, Ill., 244 pages. Price: \$18.

Presented in non-technical language, this guide offers step-by-step instructions for starting and carrying out complete cost reduction programs.

Covered are the functions of electronic data processing, financial and management controls, industrial relations, plant engi-

neering, etc., with a complete section devoted to the purchasing field.

Over 1,200 cost-related questions enable a company to audit its entire operation. Also contained are 200 tested waste prevention ideas, the directives a program requires, the qualifications of a cost reduction staff, how to promote cost reduction among employees, cost reduction case histories, and much more for all levels of manufacturing management.

Wholesaling in Marketing Organization, by David A. Revzan. Published by John Wiley & Sons, Inc., 440 Fourth Ave., New York, N. Y., 656 pages. Price: \$10.50.

This book analyzes in detail different types of middlemen, how they are organized, and what types of products they handle.

Chapters explain how the wholesaler picks his organization, and how he should go about promoting the products he handles. Product branding, negotiations and cost-price relationships also come in for discussion. An entire chapter is dedicated to the subject of government regulations, and how the Robinson-Patman Act affects the middleman's business.

The discussion of internal management policies and problems paves the way for smooth managerial coordination and control of the entire wholesaling operation.

Managing America's Economic Explosion. Edited by Dan H. Fenn, Jr. Published by McGraw-Hill Publishing Co., 330 West 42nd St., New York 36, N. Y. 269 pages. Price: \$6.00.

In this volume, the participants in the 30th annual Harvard Business Conference look at our economic explosion and the complexities of managing it fruitfully.

New insight is provided for topics ranging from the broad issue of economic growth to the specifics of product-line planning. The contributors also discuss controversial topics, such as the truth behind the battle over the cause of inflation; the businessman and his public responsibilities; and how the U. S. is faring vis a vis the Russians in research and development?

Realistic approaches are given to problems involving planning, competing for capital, collective bargaining, foreign markets, and other essential aspects of management in our new economy.

Briefly Noted

Electron Tubes

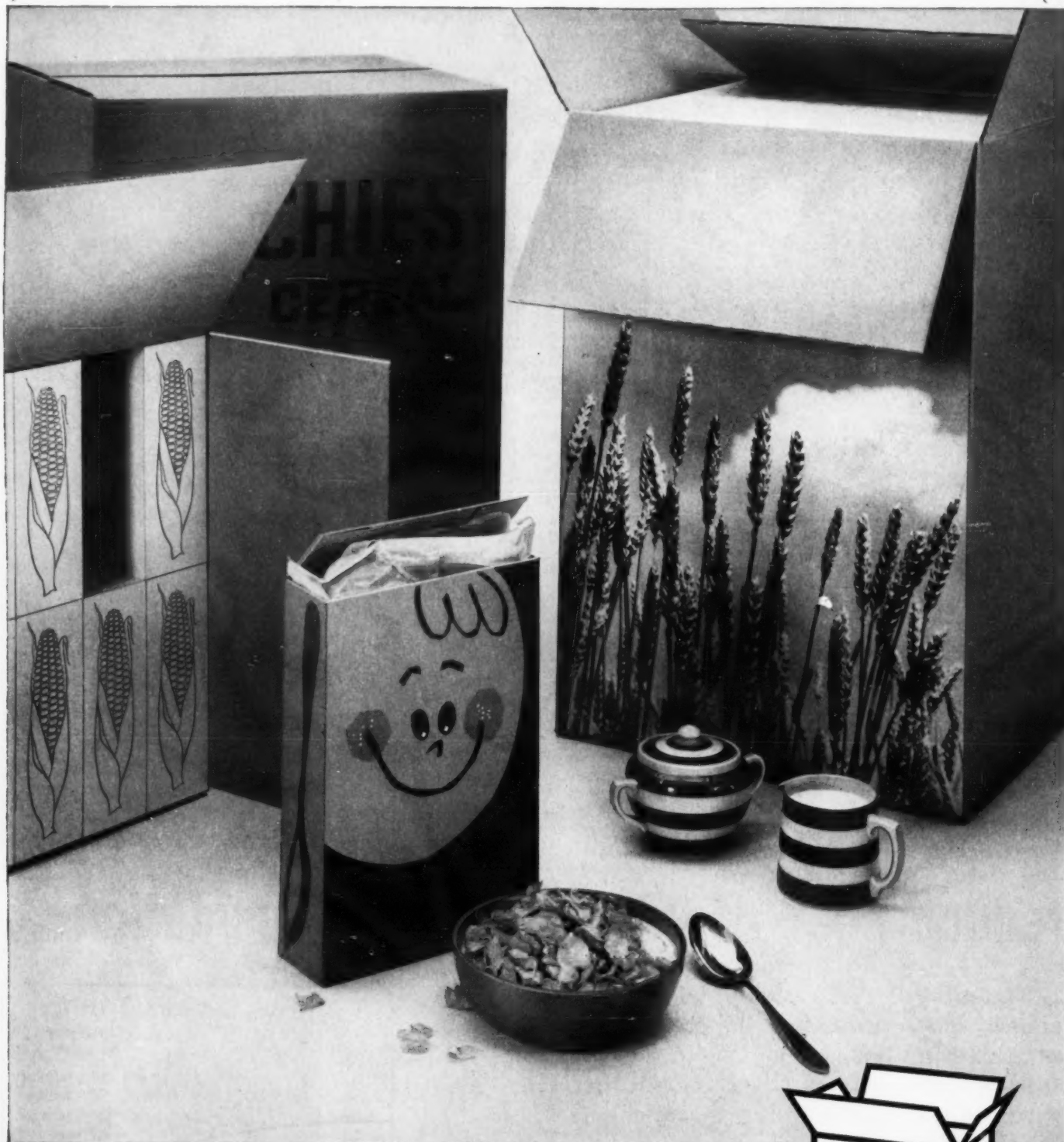
Describes company's complete line of microwave tubes, display devices and operational accessories. Also discusses millimeter wave tubes and monitor diodes, giving quick-reference specifications and photos (16 pages). *Marketing Dept., Litton Industries, 960 Industrial Road, San Carlos Calif.*

Ultrasonic Cleaning

Gives information on most commonly used cleaning chemicals including physical properties, applications, working temperatures, and procedures. Tabulates fourteen different types of cleaning media. Bulletin S-700 (14 pages). *Branson Instruments, Inc., 40 Brown House Road., Stamford, Conn.*

Slings Chains

Presents descriptions and specifications for all types of slings. Features a glossary of chain terms and industry coding symbols in easy-to-understand form. Catalog No. S-261 (20 pages). *Campbell Chain Co., York, Pa.*



Millions of breakfasts in corrugated

America's big morning appetite is a bull market for breakfast food. Producers supply this demand with a harvest of crispness, a multitude of different cereal brands. Why are so many of these family favorites shipped in boxes by Hinde & Dauch Division? Because buyers know they can depend on Hinde & Dauch for money-saving *corrugated containers in volume.*



**West Virginia
Pulp and Paper**

Hinde & Dauch Division

17 Plants • 42 Sales Offices • Sandusky, Ohio

Emphasis on R&D Sparks New Look at P.A.'s Research Role

New York—With the big step-up in industry R&D programs, top executives are taking a careful look at purchasing's role in research and planning. The big emphasis, of course, is on getting the best price and quality rather than on who does the buying.

"Whoever buys for R&D must be the most qualified man in the plant, whether he's a P.A., an engineer, or both," says Robert M. Jackson, president of Wallace & Tiernan, pharmaceutical, drug, and instrument manufacturing firm based in Newark, N. J.

Procurement for R&D poses no problems for his company, Jackson points out, because specifications in the drug and pharmaceutical line are inflexibly rigid. For this reason, purchasing is completely left out of product planning, which is handled entirely by chemists and engineers, who write all the R&D specifications.

But generally Jackson's view is that purchasing's role in R&D will vary according to the company's size, product line, and the P.A.'s technical qualifications.

A Different View

A different view of the R&D procurement function is expressed by Howard B. Begg, president of Squier, Schilling & Skiff, Inc., a Newark, N. J., industrial distributor.

"Procurement is just as important as selling to an organization," he comments. "That's why our top procurement man is a vice-president. And, since research and planning, in cooperation with a vendor, is a priority job for procurement, our procurement officer is very much a part of R&D planning."

A similar view was propounded by George A. Brown, purchasing agent at Daystrom, Inc., at a recent seminar of the Materials Management Institute. As technology becomes more complex, the demands made upon the buyer will be stepped up—particularly in the R&D area. To meet the higher standards, the P.A., according to Brown, will have to be "both business and technically oriented, and able to reconcile the communication problem between the scientist and the vendor to achieve a common understanding and effective results."

Can Be a Bugaboo

R&D can be a bugaboo to the P.A. not prepared to deal with what Brown calls "needle-in-the-haystack purchasing." It brings built-in problems, he points out.

For one thing, volume is low, and "specials" are the rule rather than the exception. Tool costs must be pared to the bone, due to the exploratory nature of the

work. Sources flexible and dependable enough are hard to find. Equipment must be stretched to the limit of its versatility. Lead time is often short.

But Brown feels strongly that purchasing must participate in R&D work right from the beginning of each project. This way, it can inject a value-mindedness which balances some engineers' tendency to specify special designs where standardized ones will suffice.

Key word in Brown's lexicon

of present-day business deficiencies is "communications."

"The secrecy surrounding much company confidential information borders on the ridiculous, and at times is reminiscent of B-grade, cloak-and-dagger movies," he says. "The rumor mill and company grapevine under these conditions work overtime, and as a result, morale takes another dip downward."

Brown is mindful of the "information, or language, gap" which exists between the research

scientist, the project engineer, the production superintendent, the purchasing agent, the sales manager, and the president.

Impetus to remedy this wasteful garbling of words must come from top management, however. Brown suggests five steps to improve information:

- Establish concise, simple, workable, and acceptable procedures for internal and external paperwork handling.

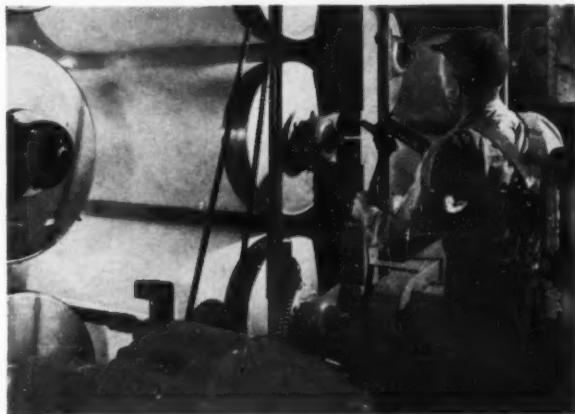
- Encourage the use of standard terminology.

- Learn the other fellow's language.

- Clean up the organization chart. Make sure each person knows **what** he is responsible for, **when**, and to **whom**. Give each man only one boss. Brief him on the channels—upward and downward—of communication. Try to have a workable 'span of control' (ideally, no manager should have more than six people reporting to him). And, finally, put all this down in black and white, to eliminate second guessing.

SILICONE NEWS from Dow Corning

Lubricants That Survive



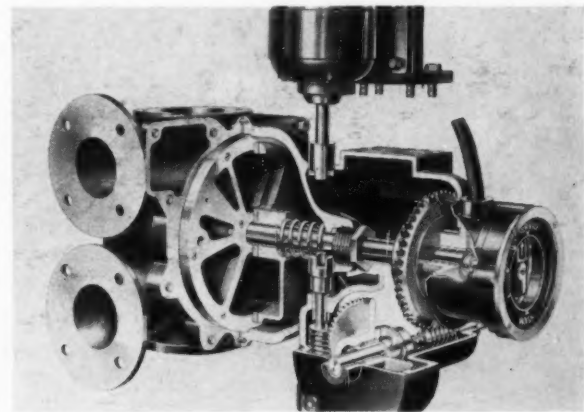
Extreme Heat. At Erwin Mills textile plant, Coolee-mee, N. C., bearings on the shaft of a revolving drier operate in an ambient temperature of 300 F and meet hot steam entering through the shaft. Bearing lubrication was reduced from an every-other-week job to a twice-a-year job with silicones. Silicone lubricants withstand heat up to 450 F . . . stay on the job where ever heat is a problem, such as oven conveyor systems, exhaust fan bearings and heat sealing equipment.



Caustic Contact. Dow Corning Valve Seal, a non-reactive valve lubricant, prevents sticking and leakage. One use: to assure ease of operation and proper sealing of valves on railroad tank cars carrying chemicals. In process plants, too, inert silicones coat the valve seal and mechanism . . . resist corrosion . . . assure a leak-proof seal that lasts. Another use: to keep bolt threads from binding at temperatures to 600 F, ease annual teardown of process equipment.



Extreme Cold. Silicone lubricants don't turn stiff with cold. Even at 100 degrees below zero, they keep things rolling. For plastic and metal bearings in refrigerators and household freezers . . . for conveyor bearings in commercial freezers and cold storage areas . . . silicones virtually assure lifetime lubrication. Silicones also provide an economical way to lubricate moving plastic parts on appliances and toys. Many silicone lubricants are practically colorless . . . won't soil hands or clothes.



Conditioning Chemicals. Rubber and bronze parts located in multi-port valves of water conditioning equipment made by Permutit Company are lubricated with a silicone compound. Highly water repellent, silicones assure long-lasting seals, won't react with or contaminate chemicals passing through, won't attack rubber, and protect bronze against corrosion. Silicone greases, oils and compounds are outstanding special purpose lubricants in new equipment designs and in the maintenance of production equipment.

New Firm Leasing Out WideRangeofEquipment

New York — A new firm, Langner Leasing Corp., has been organized here to specialize in leasing equipment in the \$10,000 to \$100,000 price bracket.

The company's first deals range from leasing of broadcast equipment to a Long Island radio station, to rental of an automatic feeding installation for 1,500 cattle in Florida.

New brochure—all about silicone lubricants. Send for your free copy today. Address Dept. 4518

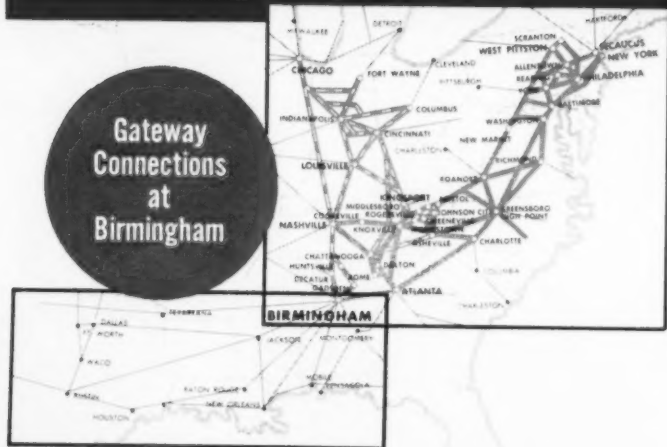


Dow Corning CORPORATION
MIDLAND, MICHIGAN

ATLANTA BOSTON CHICAGO CLEVELAND DALLAS LOS ANGELES NEW YORK WASHINGTON, D. C.

Fast, More Direct Service Between the Southwest Gulf States Area and the East and Midwest

Gateway
Connections
at
Birmingham



Our expanded Birmingham terminal facility means faster service for your shipments to and from the Southwest Gulf States area . . . direct through Birmingham to the East and Midwest. Ask your Mason and Dixon/Silver Fleet representative about this "time-saver" service today.

GENERAL OFFICES:
KINGSPORT, TENN.



SOURCES OF SUPPLY

Suppliers and sub-contractors in the Northern Plains can be pinpointed quickly by the Facilities Register, a unique electronic index of production facilities. Whether yours is a problem of finding new suppliers, contracting for idle machine time, shortening lines of supply, or obtaining better quality and service:

ASK THE MAN
FROM THE
NORTHERN
PLAINS



NORTHERN NATURAL GAS COMPANY
SERVING THE NORTHERN PLAINS □ GENERAL OFFICES: OMAHA, NEBR.

Petroleum Industry Joining the Leasing Parade

Dallas—A new Houston firm INELCO, Inc., is offering the petroleum industry a minimum two-year, equipment leasing plan that can be renewed on an annual basis at reduced rental. Otherwise the lessee can return the equipment to INELCO or negotiate its purchase "at the fair market value."

For the large, integrated oil company, INELCO says, "The capital released by leasing can be used more productively for direct, profit-yielding activities such as the development of new reserves."

The smaller, independent operator, the company says, has the use of the equipment required without the over-extension of bank credit or the reduction of control over operations when

additional funds are required."

INELCO has analyzed a number of combinations of total investment and depreciation schedules compared with lease cost over a like period. Summed up, they demonstrate the amount of working capital freed by leasing.

For example, according to INELCO, an operator could save more than \$9,000 during a five-year period on a \$45,000 piece of equipment.

This is based on these assumptions:

- A \$5,300 salvage value on a 5-year straight line depreciation.
- Annual lease rental renewal of 2% of original cost.
- An 8% return on freed working capital.
- A lessee in the 52% income tax bracket.

• The freed capital is invested satisfactorily.

Under the purchase-depreciation plan, the operator would pay \$45,000 for the equipment and would take a net tax savings of \$20,000 over the 5 years, rather than the \$40,000 he actually wrote off, because of his tax position. Thus, his net capital investment, after five years, would be about \$25,000 including salvage.

The quoted lease price over the period would be about \$55,500. However, the lease payments would be in before-tax dollars. Because of tax position, this means the operator's actual dollar cost would be about \$26,000.

The operator would earn about \$8,700 on the capital he saved by not making an outright purchase. The net leasing cost then would total about \$17,900—some \$9,100 less than the outright purchase approach.

"Leasing should not be considered as a means to avoid taxes, although it can offer certain tax advantages because all rents are operating expenses and thus paid from pre-tax earnings, instead of after-tax-dollars," the firm explains.

For a medium-size company with a good credit rating, INELCO says the lease cost would run about as follows for these common type of oilfield production equipment or systems (rates are subject to fluctuations of the existing interest rate):

- A \$5,000 heater-treater with an 8-year life span—\$69 to \$76 per month.
- A \$5,000 lease automatic custody transfer unit with a 5-year life—\$100 to \$106 per month.
- A \$3,500 wellhead Christmas tree with a 10-year life—\$42 to \$46 monthly.
- A \$4,000 pumping unit with a 10-year life—\$47 to \$53 per month.
- A \$150,000 waterflood system with a five-year span—\$3,000 to \$3,187 monthly.

Senate Beginning Inquiry Into Methods of Assuring Ample Supply of Boxcars

Washington—A Senate Commerce subcommittee will hold hearings June 13 and 14 on legislation designed to insure an ample supply of rail boxcars. The car shortage is principally felt during grain and lumber harvest periods.

Chairman Warren G. Magnuson has been informed that the shortage during the coming season will be greater than in the past. The supply of box cars has decreased in the past seven years to 685,000, of which 627,000 are serviceable, rail sources say.

The bills would permit the Interstate Commerce Commission to prescribe per diem charges for use of box cars that would provide an incentive for the railroads to maintain an adequate supply.

Mack Boosts Production

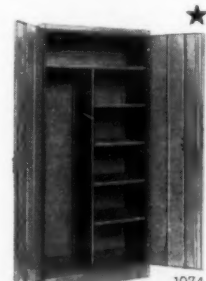
Allentown, Pa.—Mack Trucks, Inc., increased its truck production 30%. The boost will primarily affect operations of its plant here where most assembly operations are done. A mounting back-log of orders is behind the move, the company said.



LOOK AT THE FINE POINTS OR YOU'LL MISS THE PAYOFF!

Royal equipment is literally packed with fine points that tailor it to the specific jobs of industry. The Royal Model 515 adjustable chair is typical: contoured, 4-way adjustable back is mounted on strong spring steel to conform to the slightest body movement. Adjustable legs telescope to most comfortable working height. There are no protrusions to catch clothing or cause injuries. The payoff is worker comfort, efficiency and safety. It's the same with Royal-DeLuxe cabinets. All corners are rounded, all hinges and fastenings are concealed. Extra heavy gauge panels are flush finished. Doors are rigid, shelves are adjustable and every cabinet is ventilated. There are dozens of Royal chairs, stools and cabinets for industry. Each is packed with fine points that make it more efficient, more useful, more valuable. Write today for full details and the name of nearest dealer. ROYAL METAL MANUFACTURING COMPANY, Dept. 28-F, One Park Ave., N. Y. 16, N. Y. In Canada—Galt, Ont.

Royal
INDUSTRIAL DIVISION



Planned Packaging moves merchandise

*Pillsbury selects
CALK-SEAL*...
for high-speed,
sift-proof carton
sealing*

In Calk-Seal*, the Pillsbury Company found a moisture-resistant carton sealing technique that eliminates inner bags or overwraps for greater customer convenience . . . yet prevents sifting and infestation. This single structure package also allows filling line speed to be increased four times.

Development of this advanced Calk-Seal technique for all dry, powdered or granular products is but one of the many ways in which Packaging Corporation's concept of *Planned Packaging* produces better packaging, lower costs . . . more sales. Whether your requirements are large or small, regional or national, we welcome the opportunity to help you.

*Machine and process patents applied for.



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Cartons • Containers • Displays • Egg Packaging Products • Molded Pulp Products • Paperboards • Plastics

The Case of the Red Hot Pepper

How Would You Solve It?

The American Arbitration Assn. Helped Quench A Sizzling Dispute Over Price and Delivery Date

A buyer for a manufacturer marketing a line of salad dressing discovered that pepper, a necessary ingredient, could be hotter than he supposed.

The P.A. arranged to buy 30 tons of raw pepper from an importing firm. Delivery date, according to the sales contract, was March 1. The contract also guaranteed the buyer against a drop in the market price of pepper for 90 days from the delivery date.

About two weeks before delivery was to be made, the importer telephoned the P.A.

"We're having some tie-ups in shipping," he reported. "We won't be able to make delivery on March 1. Right now, it looks as if we could get the pepper order to you around the middle of March."

"That will be all right with us," the P.A. replied. "We'll just extend our entire agreement for another two weeks."

When he hung up the phone, the P.A. dictated a memo for the files, noting the change in delivery date and the extension of the agreement. He sent a copy to the importing firm.

The pepper actually was delivered on March 13. On June 10, the market price dropped from 47¢ per pound to 43¢. Thus,

the price decrease occurred within 90 days of the actual delivery date of March 13, but it was more than 90 days after the March 1 delivery date originally specified in the sales contract.

The P.A. claimed that the guarantee against a drop in price applied because the time limit began to run only from the date of delivery.

"We accepted a later delivery date and extended the whole agreement," he contended. "What's more, I have the memo to prove it."

"What do you mean, memo?" the pepper importer replied. "Anyone can write memos to himself. Your memo has nothing to do with the fact that the contract stands."

"I sent you a copy of the memo, didn't I?" the P.A. reported. "You didn't object to it. That means you accepted what I said. And what I said was that the whole agreement was extended."

But the importer disagreed completely. He claimed that the date of delivery specified in the sales contract still governed the situation. He argued that the time limit on the price guarantee was in no way affected by the delay in delivery.

Because the sales contract contained an arbitration clause, the dispute was referred for settlement to a panel of three arbitrators selected under the rules of the American Arbitration Assn.

What's Your Answer?

If you sat as a member of the arbitration panel on this case, how would you adjudicate the issues?

Make your own decision. Then turn to page 53 and learn how the expert arbitrators solved the case.



DIAGNOSIS: SEVERE COMMUNICATIONS BREAKDOWN CURE: AMERICAN AIRLINES AIRFREIGHT

From the first phone contact to dock delivery, American smooths the communications path. How? . . . (1) advance planning of available lift capacity (2) flexible local routing and control to meet daily shipper requirements (3) a nation-wide private line communications network second to none in size and versatility (4) a staff of telephone sales agents keyed to your requirements. In every step, American has the answer to your goods-in-transit problems.

When you ship by American AIRfreight, you have the assurance your goods are moving on predetermined routing. Should questions arise, you'll talk to the friendly, knowledgeable voice of American and get up-to-the-minute answers. Guesswork's gone. Tighter production

and delivery schedules can be set and met, thanks to American's speed and dependability.

Service like this is why more shippers ship more freight on American than any other airline in America. With 1200 flights daily, American's fleet of AIRfreighters, Astrojets,* and other combination lift planes gives same day or overnight service to more than 50 major markets. And the world's most experienced AIRfreight specialists guarantee your cargo expert handling. Ship with the professionals—call American AIRfreight.

AMERICAN AIRLINES
America's Leading Cargo Airline

*Service mark of American Airlines, Inc.

Folding Carton Facilities At Western Division Plant

San Francisco — Stecher-Traung Lithograph Corp. has established a folding carton department at its western division plant here. The move came as a result of "steadily increasing" Western demand for multicolor folding cartons for the packaging of Western products, the company said.

Stecher-Traung's San Francisco equipment includes two-four- and five-color lithographic presses. With these and specialized equipment brought to San Francisco from the company's Rochester, N. Y., plant, the Western facility expects to be able to compete favorably with other California folding carton manufacturers.

Product News in Brief

BFG Develops New V-Belt

Akron—B. F. Goodrich Industrial Products Co. has developed a V-belt of high tension and low stretch to power wheels on large tandem tractors.

The belt, which links the powered axle of a truck to the unpowered axle, goes on the drive under 600-lb. tension rather than the 1,600-lb. initial tension



required for conventional belt. The lesser pressure cuts wear on belts, sheave grooves, and suspensions, and calls for fewer take-ups.

Dayton Tandem V-Belt Drive Co. of Denver will market the belt.

Dayco Markets 3 Foams

Dayton—Dayco Corp. is offering three basic types of urethane foams that are suitable for lamination to all types of fabrics.

The foams—a polyether, polyester, and a "new open cell type"—may be laminated by fusion, adhesive, or quilting techniques. They are available in thickness from 1/16 in. and widths up to 80 in. With heat seal splices, they can be supplied in rolls of up to 450 yd.

FC&I Unveils Scan-a-Fax

Yonkers, N. Y.—Fairchild Camera & Instrument Corp., Industrial Products Div., has produced the "first completely transistorized facsimile communications system."

The Scan-a-Fax system consists



of a flat-bed scanner-transmitter and a recorder. The transistorized units, generating little or no heat, permit continual, 24-hr. operation at transmission speeds of 1.8 ipm. Use of microwave or telephone program channels double this to 3.6 ipm.

The scanner-transmitter is

priced at about \$2,500, the recorder at \$2,250. Both units will be available on lease.

Bendix Offers New Line

Davenport, Iowa — Bendix Corp. is offering a new line of ultrasonic cleaning units with a durable transducer to which the company has attached a lifetime guarantee.

Called the Omnimate, the transducer is metallurgically bonded to a

1/4-in. thick stainless steel diaphragm. The assembly is unconditionally guaranteed not to break, crack, deteriorate, or "in any way cease to function" for the lifetime of the cleaning unit.

S-P Unveils Truck Line

South Bend — Studebaker-Packard Corp. is offering medium-duty trucks and tractors with factory-installed diesel engines.

The power plants are four-cylinder, two-cycle engines which develop 130 bhp. at 2,800 rpm. Compression ratio is 17 to 1 and the engine delivers 271 lb/ft. of torque at 1,500 rpm.

The trucks are rated at 19,500 lb. and 23,000 lb., GVW, and 35,000 lb. and 41,000 lb. GCW. Four available wheelbases range from 131 in. to 195 in.

New Extract Discovered

Toronto — Ontario Research Foundation has developed extracts from spruce bark that it says make better tanning agents than conventional vegetable ma-

terials. The bark until now has been a waste product of the pulp and paper industry.

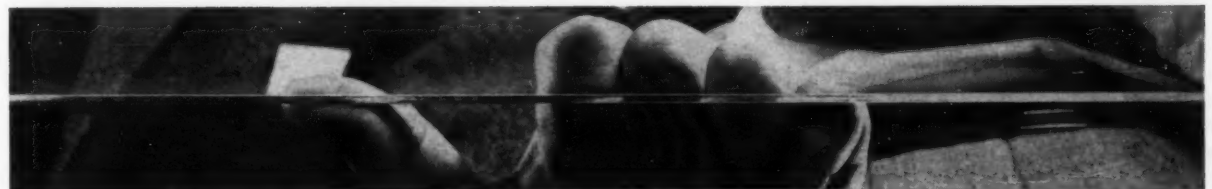
Tool Cuts Steel Drums

Birkenhead, England — Moon Bros., Ltd., has come up with an industrial "can opener" designed to cut the tops off steel drums of almost any size.

The tool is hand-operated and cuts through the body of the drum just below the end seam. It may also be used in drum reconditioning operations to remove old stampings. The opener leaves a clean edge suitable for flanging or curling.



Sees \$4500 annual screw saving



RB&W fastener survey uncovers use of special item which is replaceable by standard hex screw at much less cost

Of course you pay more for a "special" than a "standard" item—and that includes fasteners. So, when surveying a company's usage of fasteners, the RB&W Man looks sharply for the "special"—and a valid reason for their use.

He could find no good purpose for the extensive use of screws with heavy head and milled body in one particular product. There was neither a specification requiring close fit in very close tolerance holes . . . nor were there exceptionally "sloppy" holes that called for an oversize head to span.

He therefore recommended assembly with standard RB&W High Strength Hex Screws. They would meet any physical requirement for the "special" being used . . . but cost 30¢ less per unit. Yearly total: \$4500 more for profits instead of costs.

Are you sure you're not needlessly wasting dollars on fastener specifications? Let the RB&W fastener expert survey them. He's made proper fastener usage a science, is ready to cooperate with your engineers. Contact Russell, Burdall & Ward Bolt and Nut Company, Port Chester, N. Y.



Plants at: Port Chester, N. Y.; Coraopolis, Pa.; Rock Falls, Ill.; Los Angeles, Calif. Additional sales offices at: Ardmore (Phila.), Pa.; Pittsburgh; Detroit; Chicago; Dallas; San Francisco. Sales agents at: Cleveland, Milwaukee; New Orleans; Denver, Fargo. Distributors from coast to coast.

Purchasing Week's Product Perspective

STEEL PRODUCERS have redoubled research and marketing efforts to try to counteract market inroads made by aluminum and plastics. These efforts are taking the form of research, market development, seminars, advertising, and promotion.

One of the most controversial promotion campaigns is taking place in the Detroit area where listeners have been greeted by such spot announcements as: "Two bumpers stood on the street one day, One new and shiny, one old and gray" and "Listen my children and you shall hear, How the bumper in front hit one in the rear." Although these messages may have comic overtones, National Steel Corp., which is footing the bill, is deadly serious. The commercial goes on to tell how "Big Steel Bumper" outperforms "Lulu Luminum." Great Lakes sees one of its substantial markets threatened, and as its president, W. D. MacDonnell recently put it, the company is "taking the gloves off."

• Other steel companies also are "taking the gloves off"—although most of them are being more subtle. This "new concept" in steel marketing, as it was termed by American Iron and Steel Institute President Benjamin Fairless at the group's annual meeting, has already been responsible for a growing number of industry-sponsored design forums and dozens of new products.

• According to Fairless, a recent survey found the number of men engaged in technical contact work up 50% in the past five years. The number of people engaged in product research and development has shot up at an even faster rate—as much as 10 times in some cases.

Some of the research efforts have already borne fruit. Over 50 new steels and 30 surface treatments were put on the market last year. Among the most notable was the "thin tinplate," which was developed to answer the competitive threat of the aluminum can. The newest product to emerge from the lab: rolled structural shapes made from quenched and tempered alloy steel. Furnished in standard I-beams, channels and angles in lengths to 40 ft., the new shapes will eliminate need for many customers to cut quenched and tempered alloy plates and weld their own structural sections.

• U. S. Steel, which is bearing the brunt of the promotional activity, just announced the latest in a series of campaigns—the use of steel in highway designs. Previous topics have covered office furniture, structural design and steel wire.

The highway program covers new design concepts and complete engineering-fabricating data for hundreds of items such as signs, supporting guard and bridge rails, light standards, and right-of-way fences.

Big Steel's sales pitch for the highway program gives the designer a choice of alternate designs of various steel combinations—all neatly bound in the "Highway Hardware" notebook. The reader presumably can pick up the best combinations for his particular purpose. Volume I, covering signs and sign supports, is now ready, while Volume II is in preparation. U. S. Steel is making the books available to highway groups and metal fabricators.

• The recently concluded Steel Design and Engineering Seminar sponsored by U. S. Steel brought 500 design and materials engineers together in Pittsburgh. The conference was aimed at high volume structural steel users. Speakers discussed new ways of using steel to get stronger, lighter structures and equipment.

U. S. Steel introduced what it terms "the fourth dimension concept of structural steel design" at the seminar. This concept calls for combining different strength level steels to build a structure with uniform wall thickness from top to bottom.

In the past, this was done by varying the thickness of a single steel—the more strength needed, the more steel used. The company claims savings will result from reduced material needs, lower shipping and welding costs.

"Hybrid" steel beams were also brought up as a potential cost-cutter. A beam made up of an A7 steel web (33,000-psi yield point) and 'T-1' Type A steel flanges (100,000-psi yield) was said to cut materials costs 15% and weight 37% in comparison to a welded beam made entirely of A7 structural carbon steel.

• Full-scale promotion efforts for the American Steel & Wire Div., of U. S. Steel got underway last November when a combined Product & Market Development Div. was formed. The new division has special representatives to cater to wants of the big four users: agriculture, automotive, construction, and consumer products.

About half of the division's budget is going toward specific product development. Projects underway: wire-reinforced cloth, carpeting, paper, plastics, tires, and cutting wheels.

Here's your weekly guide to . . .



File Cabinet

Offers Varied Models

File cabinet is available with two to five drawers and in letter or legal-size units. Six enamel finishes are available in shades of gray, green, or beige with aluminum hardware. The cabinets have cradle suspension with ball bearings, steel rollers, and gravity stops. The follower block adjusts to 38 positions.

Price: \$96.75 (five-drawer, letter-size). **Delivery:** immediate.

Remington Rand Systems, 122 E. 42nd St., New York 17, N. Y. (PW, 6/12/61)



Mobile Radio

Works on Low Frequencies

Two-way, mobile radio is available in 25-w. and 50-w. units which operate in the 25-mc. to 54-mc. band. The compact models are designed for under-the-dash mounting and have 3-in. x 5-in., integrated speakers. Operation is simplified by the use of only two basic controls.

Price: \$395 (25 w.) and \$449. **Delivery:** immediate.

Allan B. Du Mont Laboratories, 750 Bloomfield Ave., Clifton, N. J. (PW, 6/12/61)



Adding Machine

Has Nine-Digit Capacity

Electric machine adds, subtracts, and multiplies to nine-digit totals and has a "non-add" key which prints without adding within the machine. The 10-key unit measures 8 in. x 13 in. x 4 1/4 in. and weighs 8 1/2 lb. It is available with an optional carrying case.

Price: \$169.50. **Delivery:** immediate.

Cromwell Business Machines, 7451 Coldwater Canyon Ave., North Hollywood, Calif. (PW, 6/12/61)



Portable Lamp

Attaches to Button-Bracket

Lamp mounts on a button-bracket and can be transferred quickly to button attached to any location. The base swivels 360 deg. and the lamp neck (available in from 12-in. to 24-in. lengths) is flexible. The lamp takes up to 100-w. bulbs and the head incorporates air-cooling so that the shade will not heat.

Price: \$8.95 to \$12.95. **Delivery:** immediate.

Moffatt Products, Inc., 3124 N. Washington, Minneapolis 11, Minn. (PW, 6/12/61)



Carton Stapler

Seals Filled Cartons

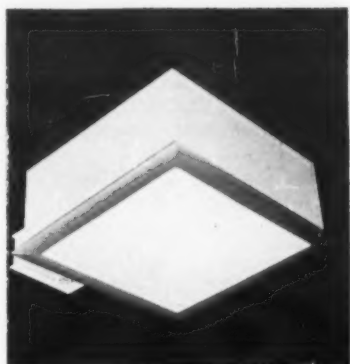
Air-operated stapler is designed for top sealing practically any kind of corrugated container entirely from the outside. It works effectively on pressures of 40 psi. to 60 psi. and accommodates staple leg lengths of 1/8 in., 5/8 in., 3/4 in., and 7/8 in. It has a single-adjustment clinch control and staples single-, double-, and triple-wall board.

Price: \$144. **Delivery:** immediate.

Bostitch, Inc., 2025 Briggs Dr., East Greenwich, R. I. (PW, 6/12/61)

New Products

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.



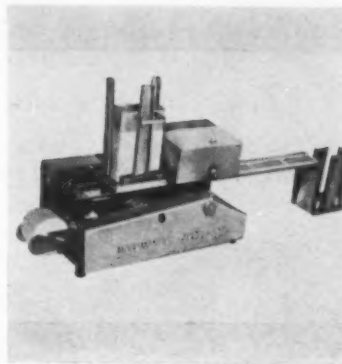
Lighting Fixture

Offers Many Styles

Recessed fixture for incandescent lighting installations has basic housings for 100-w., 150/200-w., and 300-w. sizes with a choice of frame finishes: gold or satin anodized aluminum, white enamel, brass, and chrome.

Price: \$6.25 (100-w. with enamel frame and opal bowl diffuser). **Delivery:** immediate.

Litecraft Mfg. Corp., 100 Dayton Ave., Passaic, N. J. (PW, 6/12/61)



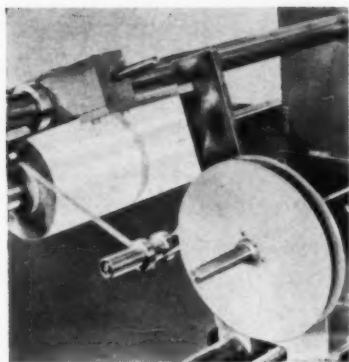
Addressing Machine

Uses Typed Plates

Electric addressing machine can deliver up to 10,000 impressions from stencil plates which can be made on any office typewriter. The machine prints up to 3,600 addresses/hr. and automatically adjusts to the thicknesses of materials being printed. All controls are pushbutton operated.

Price: \$269. **Delivery:** approx. 6 wk.

Nord Photocopy & Electronics Corp., 300 Denton Ave., New Hyde Park, N. Y. (PW, 6/12/61)



Rewind Machine

Takes End Off Full Rolls

Machine cuts any width (1/2 in. up) from roll of paper or plastic material and automatically winds it onto a stand without disturbing the rest of the roll. The machine shuts off automatically when the section is completely rewound.

Price: \$2,500 to \$10,000. **Delivery:** approx. 12 wk.

Smith & Winchester Mfg. Co., So. Windham, Conn. (PW, 6/12/61)



Epoxy Coating

Protects Electronic Parts

One-part epoxy resin with high moisture and weather resistance is easy to apply to electronic parts by conventional dip coating methods. Amount of pickup can be controlled by the temperature of preheated parts and the immersion time. The cured resin resists thermal and mechanical shock.

Price: \$1.45/lb. (1 gal. can). **Delivery:** immediate.

Emerson & Cuming, Inc., Canton, Mass. (PW, 6/12/61)



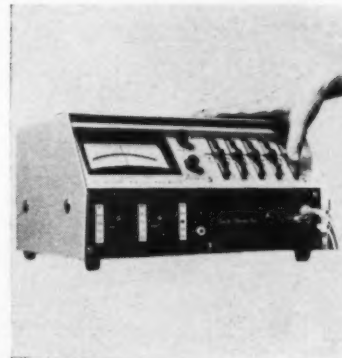
Rust Penetrant

Loosens Frozen Parts

Rust penetrant loosens rusted bolts, screws, shafts, piping, and all types of frozen connections and assemblies. It is packaged in a 4-oz. plastic squeeze bottle with an extending spout which pinpoints its application. The liquid is safe for skin, clothes, and metal, and contains no acid or alkali.

Price: 98¢ each. **Delivery:** immediate.

Armite Laboratories, 67th & Broad Sts., Los Angeles 1, Calif. (PW, 6/12/61)



Voltmeter

Weights 15 Lb.

Solid state differential voltmeter has a 1 mv. to 1 kv. range and absolute accuracy of better than ±.05%. Input impedance is 10 megohms over 10 v. The instrument has a five-dial inline readout and zener reference backed up by a built-in standard cell. Total weight of the portable unit is 15 lb.

Price: \$550. **Delivery:** 45 days.

Smith-Florence, Inc., 4228 23rd West, Seattle 99, Wash. (PW, 6/12/61)



Rotary Table

Automates Soldering

Rotary indexing tables are completely equipped for automatic or semi-automatic soldering or brazing except for fixtures to hold parts and a method of loading. Tables have automatic paste applicators and natural gas and air burners. The operation uses the manufacturer's paste which combines fluxes, binders, and solder or brazing alloys.

Price: \$1,050. **Delivery:** immediate.

Fusion Engineering, 17921 Roseland Ave., Cleveland 12, Ohio. (PW, 6/12/61)



Transceiver

Operates on Eight Channels

Unit is a 100-w. single sideband transmitter and high sensitivity receiver. Standard modes provide upper and lower sideband as well as AM and CW operation. A four-position switch gives selection from four preset channels in the 2-mc. to 15-mc. range on both sidebands.

Price: \$1,600. **Delivery:** approx. 2 to 4 mo.

Westrex Co., 540 W. 58th St., New York 19, N. Y. (PW, 6/12/61)



Heavy Duty Wax

Includes Polymers

Floor finish which combines wax with polymers gives a high gloss along with durability, safety, and scuff resistance. It resists water and dirt, is easily removable, and can be used to patch worn sections without re-finishing the entire floor. Coating comes in 5-, 12-, 30-, and 55-gal. containers.

Price: \$3.60/gal. (in 55-gal. container). **Delivery:** immediate.

S. C. Johnson & Son, Inc., Racine, Wis. (PW, 6/12/61)



Camera/Processor

Makes Paper Offset Plates

Machine produces paper offset plates in 1 min. for short runs of 15 to 300 copies. Three models of the electrostatic machine make plates of 8 1/2-in. x 11-in., 11-in. x 17-in., and 17-in. x 22-in. sizes. The unit accepts any black and white, color, half-tone, drawn, written, or printed material.

Price: \$6,500, \$9,000, and \$11,000. **Delivery:** 30 to 60 days.

Robertson Photo-Mechanix, Inc., 7440 Lawrence Ave., Chicago (PW, 6/12/61)



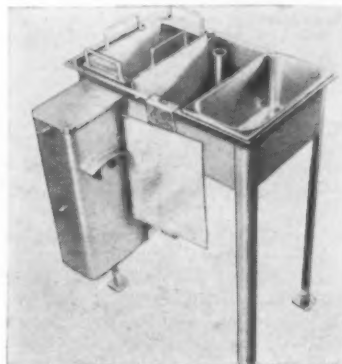
Collator

Has Electric Jogger

Twelve-page collator has an electric jogger attachment which vibrates to align pages. Sponge rubber feed fingers raise sheets for gathering as the foot pedal is depressed. The unit handles sheets up to 11 in. by normal lengths.

Price: \$245. **Delivery:** immediate (after June 20).

Atlantic Numbering Machine Co., 47-02 18th Ave., Brooklyn 4, N. Y. (PW, 6/12/61)



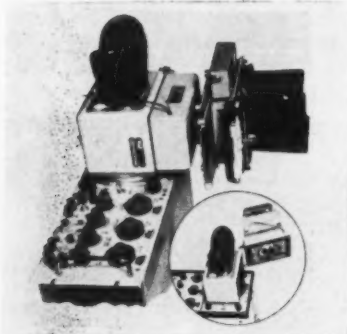
Cleaning Unit

Finishes Metal Parts

Metal parts cleaner uses special solutions to remove encrusted carbon, weld oxides, brazing flux, varnish, and paint from stainless steel, brass, aluminum, etc. It has sections for boiling, neutralizing, and rinsing of parts. Cleaning takes 1 hr. followed by a water rinse lasting for 8 to 20 hr.

Price: \$798. **Delivery:** immediate (in limited quantities).

Pall Corp., 30 Sea Cliff Ave., Glen Cove, N. Y. (PW, 6/12/61)



Oscilloscope Camera

Has Binocular Viewer

Line of oscilloscope cameras permits binocular viewing of the screen while the recording is being made. Four models have 4-in. x 5-in. holders for Polaroid cut film and a fifth is designed to handle high-speed roll film. All have a slip-hinge on the film holder/lens for easy access to exposure settings.

Price: \$370 to \$585. **Delivery:** immediate.

Analab Instrument Corp., 30 Canfield Rd., Cedar Grove, N. J. (PW, 6/12/61)



Paper Punch

Locks Gage in Place

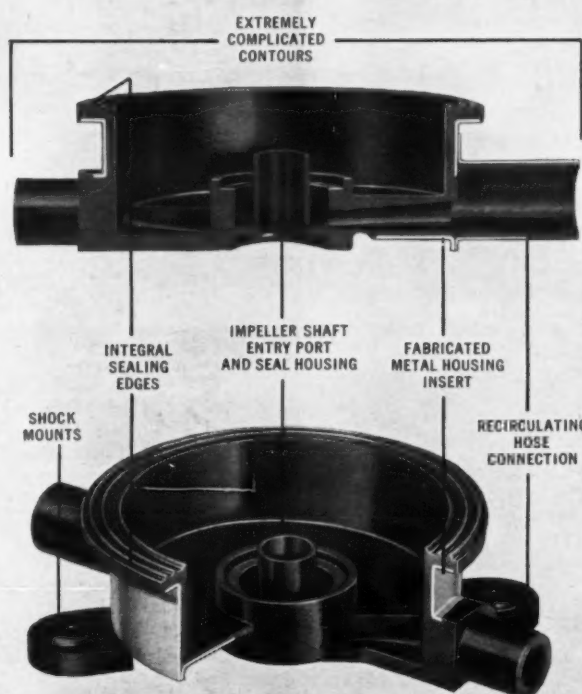
Paper punch has a nine-position gage which locks in place and a window viewer for easy visibility of the selected calibration. It punches two 1/4-in. holes spaced 2 3/4 in. from center to center. One model punches 36 sheets of # 16 bond at one time. Another has a 21-sheet capacity.

Price: \$3.90 (21 sheets) and \$5.90. **Delivery:** immediate.

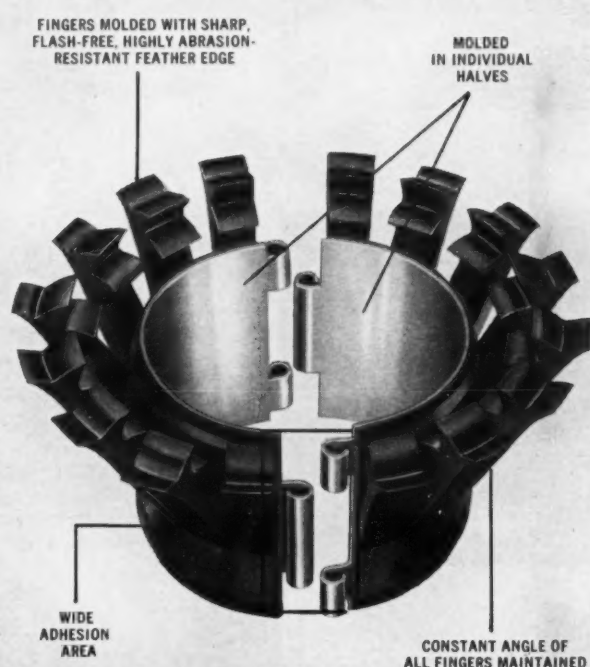
Acco Products, Ogdensburg, N. Y. (PW, 6/12/61)

OHIO RUBBER

"CUSTOMEERED COMPONENTS BASIC TO INDUSTRY"



DISHWASHER PUMP IMPELLER HOUSING—part for major household appliance manufacturer. **Problem Solved:** Intricate precise, compression molding and uniform rubber adhesion to fabricated metal insert. Constant, residual water, at varying temperatures, made absolute adhesion mandatory to prevent seepage and corrosion. Stock had to be non-absorptive, non-swelling, heat, ozone and detergent proof. ORCO designed, built, and maintains the molds—delivers consistent, high-quality rubber adhesion on a production line basis to rigid, quality-control standards.



"RECIPRO" OIL WELL WALL CLEANER—removes filter cake, mud, and foreign objects from bore hole. **Problem Solved:** Compression mold and bond-to-metal very flexible, high tensile, top quality natural rubber stock to extremely critical customer specifications. Design, build, operate, and maintain highly intricate molds to operate on normal production basis. Safeguard part against tremendous high stress concentration by engineering permanent, dependable, rubber-metal adhesion.

How ORCO "customeered" rubber parts

OHIO RUBBER IS THE GOOD SOURCE FOR THE O.E.M.!

As a "manufacturer's manufacturer", the OHIO RUBBER Company regularly serves, as above, many diversified industries and operates five, major, geographically-strategic plants to do so. From its facilities in depth, ORCO can—and does—deliver large quantities of natural rubber, synthetic rubber, silicone

rubber, flexible and rigid vinyl, and polyurethane component parts—all "CUSTOMEERED" to your specifications.

To better serve the O.E.M., OHIO RUBBER designs, builds and maintains precision molds and dies . . . performs permanent bonding-to-metal . . . delivers injection, vacuum, compression, transfer, and automatic continuous moldings, as well as extrusions. And, all are backed by continuous statistical quality control, coordinated production control—and supervised by



Personnel Cart

Weights 172 lb.

Personnel cart for industrial installations is powered by a 3½-hp. gasoline engine with an impulse starter. Top speed is 8 mph. and the cart has positive action brakes and a brake set. The transmission is fully geared and includes reverse. Cart is 28½ in. wide and weighs 172 lb. A steel dispatch case holds mail, blueprints, and other papers.

Price: \$249.95. **Delivery:** 2 wk.
Quick Mfg., Inc., Springfield, Ohio. (PW, 6/12/61)

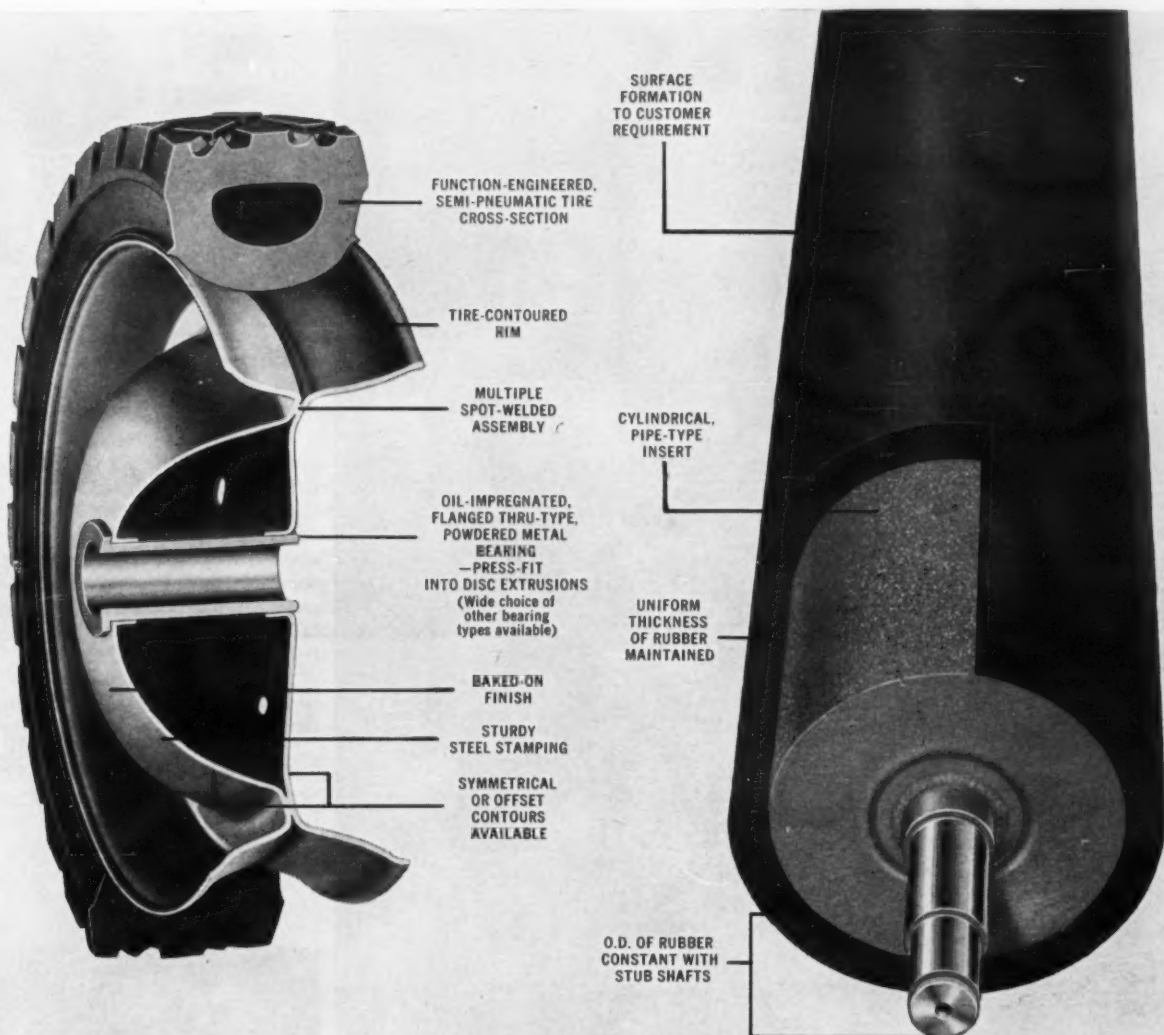


Electric Drill

Works Close to Walls

Electric (¼-in.) drill has motor housing offset so that the tool can operate very close to a wall or other obstruction. Flat pedestal base lets it stand upright without damaging the bit. An integral sawdust blower channels an air stream through five slots in the front of the housing to blow away chips and permit a clear view of the work.

Price: \$30. **Delivery:** immediate.
H. K. Porter Co., Inc., Porter Bldg., Pittsburgh 19, Pa. (PW, 6/12/61)



QUALITY SEMI-PNEUMATIC TIRES AND WHEELS—working components for movable equipment. **Problem Solved:** Provide a reliable source in depth for standard duty, industrial duty, and special duty wheels with accessories—all equipped with a wide range of job designed and proved tires and treads to meet customer applications. Wheels and tires are load and speed rated; field and laboratory tested. Full line available. Custom requirements can be met. Engineering and technical service offered.

HAY CONDITIONER ROLL—integral component for agricultural equipment manufacturers. **Problem Solved:** Maintain uniform adhesion of 6' long, inch-thick, rubber blanket molded on cylindrical, customer-furnished insert. Surface configuration of roll to vary according to customer's specifications. Stock, field and lab tested, must be highly abrasion-resistant—yet resilient enough to cushion impact and passage of incidental debris without interfering with continuous conditioning function of roll.

aid product design

laboratory and engineering staffs second to none!

If you have a part that may work better as rubber, or with rubber, ORCO is eager to serve you. For complete details, at no obligation to you, write or phone us, today!

FREE! NEW RUBBER DESIGN DATA

These informative, factual manuals should be a part of your working library.

WRITE TODAY!



Factories: Long Beach, Calif. • Fort Smith, Ark. • Willoughby, O. • Conneautville, Penn. • Stratford, Conn.

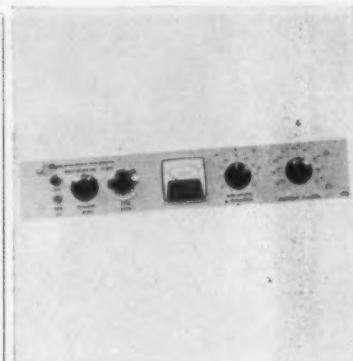


THE OHIO RUBBER COMPANY

General Office • **WILLOUGHBY, OHIO** • WHitehall 2-0500
A DIVISION OF THE EAGLE-PICHER COMPANY



DE-41



Electrometer

Has Fast Response Time

Precision measuring instrument for research and laboratory use has a high speed and response time (10⁻¹² amp., .3 sec.). The multiplier switch changes ranges without causing transients due to switching high megohm resistors.

Price: \$495. **Delivery:** immediate.

Gyra Electronics Corp., Washington & Elm Sts., La Grange, Ill. (PW, 6/12/61)



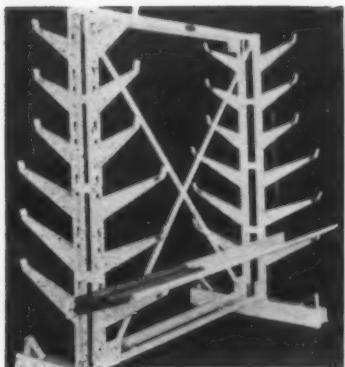
Portfolio

Comes in 2 Sizes

Envelope portfolio (11 in. x 15 in.) for presentations, sales promotions, etc., is made of solid luggage leather with nylon stitching. It is equipped with a Swiss lock for instant opening and closing and is available also in a 6-in. x 12-in. size.

Price: \$27/doz. (11 in. x 15 in.) and \$15/doz. **Delivery:** immediate to 10 days.

Elliott-Morris Co., 678 Washington St., Lynn, Mass. (PW, 6/12/61)



Cantilever Rack

Has Adjustable Arms

Cantilever storage rack has keyway slots on column faces which provide 4-in. adjustable spacing for arms. Units are available in single or double-arm construction with a choice of 12-in. or 16-in. arms.

Price: \$155.30 (seven-tier, double-arm unit with 28,000-lb. capacity). **Delivery:** immediate.

Jarke Mfg. Co., 6333 Howard St., Chicago 48, Ill. (PW, 6/12/61)



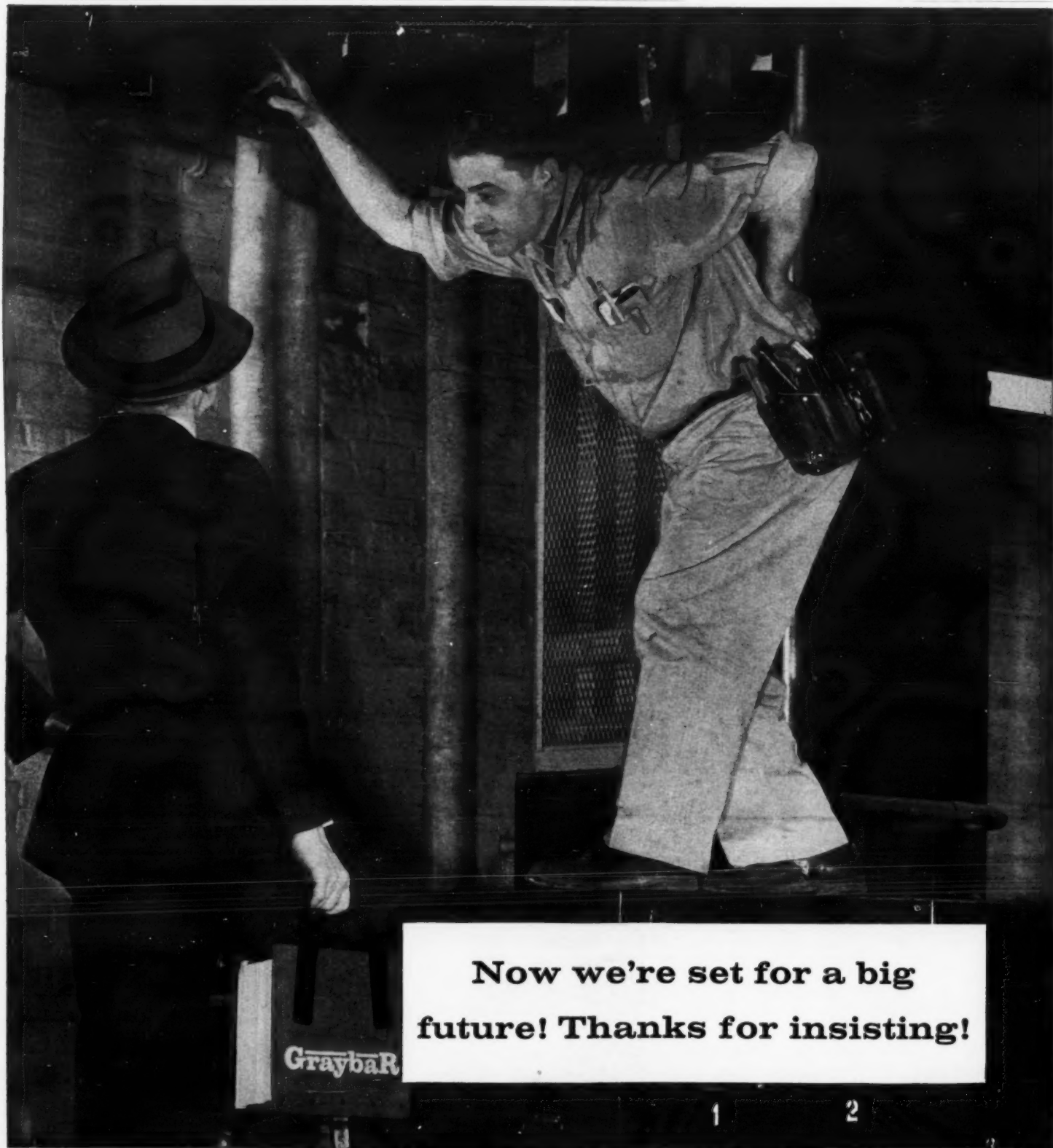
Test Chamber

Has -100 F to +350 F Range

Chamber for high and low temperature testing has a range of -100 F to +350 F. Internal working dimensions are 11 in. x 12 in. x 5 in. The unit is aluminum-lined and uses a resistance element heater and liquid CO₂ refrigeration. A fan with external blower motor provides circulation.

Price: \$285. **Delivery:** immediate.

Associated Testing Laboratories, Inc., Wayne, N. J. (PW, 6/12/61)



Now we're set for a big future! Thanks for insisting!

Graybar

Include the Graybar man in your electrical planning.

The recommendation he makes comes from experience with countless kinds of power distribution equipment, motors, controls, wiring and lighting supplies.

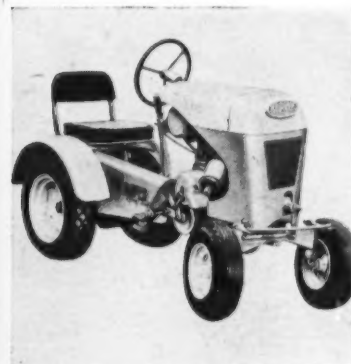
Call Graybar for impartial recommendations . . . and able, in-the-plant help. We'll work with you or your electrical contractor.

95

Graybar

ELECTRIC COMPANY, INC.

420 LEXINGTON AVENUE, NEW YORK 17, N. Y. • OFFICES IN OVER 130 PRINCIPAL CITIES



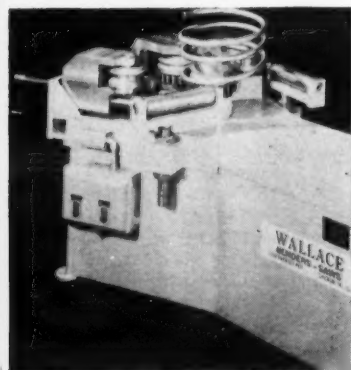
Maintenance Tractor

Handles 18 Attachments

Ground maintenance tractor powered by 7-hp., 4-cycle engine has three forward and three reverse speeds. Heel pressure on the foot-pedal rest is all that is needed to place it in reverse and forward motion is obtained by exerting toe-pressure. Eighteen attachments are offered for year-round maintenance jobs.

Price: \$653. **Delivery:** immediate.

Baird Machine Co., 1700 Stratford Ave., Stratford, Conn. (PW, 6/12/61)



Bending Machine

Handles up to 6-in. Pipe

Bending machine comes in three models with maximum cold bending capacities of 2-in., 4-in., and 6-in. pipe. They can be operated either right or left and handle all kinds of pipe, tube, round bar, square bar, and flat bar bending. Motors are 3, 7½, and 15 hp.

Price: \$2,995 (2 in.) to \$8,995 (4 in.). **Delivery:** approx. 3 mo.

Wallace Supplies Mfg. Co., 1304 W. Diversey Pkwy., Chicago 14, Ill. (PW, 6/12/61)



Plastic Containers

Available in Many Shapes

Molded plastic containers are available in cylindrical, rectangular, and special shapes equipped with handles, lids, or legs. The polyethylene is chemical and stain resistant, easy to clean, and tough and flexible. The containers are waterproof and can be steam-cleaned.

Price: \$15 to \$125. **Delivery:** immediate (in small quantities).

Amos-Thompson Corp., SinTrex Div., Edinburg, Ind. (PW, 6/12/61)

Purchasing Week Definition

Terminology of Printed Circuitry

Base—The insulating support for a printed pattern.

Current-Carrying Capacity—Maximum current a conductor pattern can carry continuously without degradation of electrical or mechanical properties of the printed circuit board and attached components.

Feedthrough—A conductor that connects conductive patterns on opposite sides of a printed circuit base.

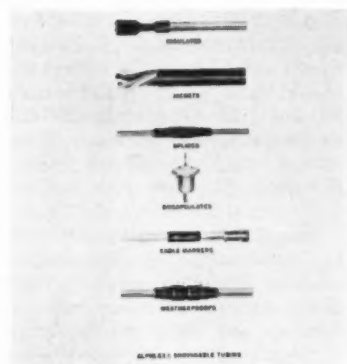
Indexing Holes—Holes placed in a base to assist in its accurate positioning during assembly or manufacturing operations.

Jumper—Point-to-point electrical connection made by a hookup wire where the connection cannot be made in the printed circuit.

Pin Holes—Small holes occurring as imperfections in the conductive pattern.

Printed Contact—Portion of a printed circuit that connects the circuit to a plug-in receptacle, functioning as a pin in a male plug.

Printed Wiring—A printed circuit or that portion of it which provides point-to-point electrical connections or shielding. (PW, 6/12/61)



Shrinkable Tubing

Forms Tight Bond

Shrinkable tubing with modified polyolefin base shrinks to form a tight bond seconds after application of 135-C heat. In expanded form it easily slips over wire, cables, terminal, etc. A heat gun is recommended for shrinking but other means including open flame, ovens, and soldering irons can be used.

Price: 16¢/ft. (size 24) to \$1.61/ft. (1 in.). **Delivery:** immediate.

Alpha Wire Corp., 200 Varick St., New York 14, N. Y. (PW, 6/12/61)



Safety Wedge

Has Ribbed Tread

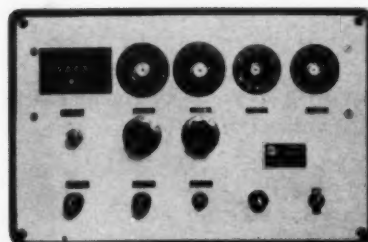
Heavy rubber wedge holds in place a wide range of materials—from 1/2-in. bars up to drums or paper rolls of 4-ft. dia. A ribbed tread supplies a nonskid grip on the floor and the resilient top surface curves to fit and cushion loads. Unit comes in 4-in., 6-in., and 12-in. standard lengths and can be supplied in lengths up to 10 ft.

Price: \$3.30 (12 in.). **Delivery:** immediate.

John G. Shelley Co., Inc., 16 Mica Lane, Wellesley Hills 81, Mass. (PW, 6/12/61)



what!—counters that package, too? At Mundet Cork electronic counters designed by Veeder-Root not only give every customer precisely the number of bottle-caps ordered... but also activate packaging equipment. Can counters profit your operation? Find out. Write: Electronic Controls Div., Veeder-Root Inc., Danvers, Mass. count on...Veeder-Root



Veeder-Root counter Series 1804, with photoelectric transducer, is behind Mundet-Cork's electronic packaging operation.



READY-TO-ASSEMBLE SHELTER: New dome-type shelter, sold by Filtered Rosin Products Co., Baxley, Ga., is 22 ft. in dia. and has 352 sq. ft. of floor space. It costs \$345 and can be assembled in one day.

Product Briefs

Thermoplastic tubing of flexi- or rigid vinyls, polyethylene, polypropylene, and other materials is produced to specifications with up to 3-in. outer dia. It is available on spools, coils, or in pieces in lengths from 1/32 in. to 250 ft. *Petro Plastics Co., 16 Quine St., Cranford, N. J.*

Epoxy resin is available in pencil form to eliminate the waste of unused mixed materials. The single-component material will

adhere permanently to metal, china, ceramics, wood, glass, cloth, and nearly all plastics. *Cetron Electronic Corp., Pasadena, Calif.*

Solvent solution increases the resistance of paper and paper-board products to water and weathering. The material can be applied to finished boxes or sheet stock by spraying or swabbing, followed by air drying. Its flash point is more than 80 F and it is

noncorrosive. *Sun Chemical Corp., Warwick Chemical Div., Wood River Junction, R. I.*

Phenolic cellulose-reinforced compound can be compression-, transfer-, or plunger-molded with ease to a lustrous black finish. It has a bulk factor of 2.8 to 1 and an impact strength of 0.4 (min.) ft. lb./in. of notch. *Rogers Corp., Rogers, Conn.*

Magnetic core instruction memories operate at 1 mc. with an access time of 0.4 microsec., using nondestructive readout BIA memory elements. Two available standard sizes are 128 words and 512 words, 24 bits per word. Sizes up to 1,024 words, 36 bits per word, can be built to customer specifications. *Ford Motor Co., Aeronautic Div., Ford Rd., Newport Beach, Calif.*

Handtruck has rollers on loading lip to simplify loading and unloading. The easy action permits closer stacking of boxes and cartons to the back of the truck without pushing. Tubing is electrically welded steel and truck is fitted with ball bearing rubber tires. *Southeastern Mfg. Co., P.O. Box 535, Waukesha, Wis.*

Extension ladder requires no secondary support. It is mounted on a rigid steel frame equipped with 8-in. wheels and hand retractable swivel-type front casters. It is available in 24- and 28-ft. sizes and collapses to a compact 30 in. x 70 in. The ladder section can be ordered in aluminum or fiberglass for use around electricity. *Aluminum Ladder Co., 50 W. Darlington St. Ext., Florence, S.C.*

Air diffuser for troffers, designed for separate installation, is an aspirating type and discharges the supply air at acceptable sound levels without smudging. It permits coordination of air distribution and illumination in a single ceiling unit. *Anemostat Corp. of America, 10 E. 39th St., New York 16, N.Y.*

Nylon strapping, available in various hole sizes and spacings (or nonperforated), comes in widths from .160 in. to 1/2 in., and thicknesses from .030 in. to .070 in. It is suitable for service between -60 F and +275 F. *Weckesser Co., Inc., Dept. PW-7, 5701 Northwest Hwy., Chicago 46, Ill.*

Drive units feed round tubing and bar stock, primarily in conjunction with eddy current tests. One model handles 1/4- to 4-in. dia. at speeds from 40 fpm. to 400 fpm. The smaller model accommodates 1/4- to 1 1/2-in. dia. at 180 fpm. or 300 fpm. Other speeds may be obtained by changing pulley sizes. *Magnaflux Corp., 7300 W. Lawrence Ave., Chicago 31, Ill.*

Tubing of fiberglass-reinforced plastic is available for use in transfer and process rolls, paper and foil winding cores, process pipeline, etc. It comes in unit lengths up to 93 in. of any desired wall thickness. *Clevite Ordnance, 540 E. 105th St., Cleveland 8, Ohio.*

Initial Price...

Owning Cost?

Know both to keep your steel costs low

You know steel is low in cost. How can you *keep* it that way? One way is never to forget that there's more to *final* cost than initial price. Hidden—and unnecessary—costs of possession, like handling, storing, cutting, taxes and insurance often creep in. Recognize these added expenses.

Each steel user's case is different. Your steel service center will be glad to help you determine the

most economical way to buy steel. Figure all your costs of possession, such as:

Cost of capital:	Cost of operation:	Other costs:
Inventory	Space	Obsolescence
Space	Materials handling	Insurance
Equipment	Cutting & burning	Taxes
	Scrap & wastage	Accounting

Call your nearby steel service center, or write for free booklet, "What's Your Real Cost of Possession for Steel?"



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Exhibits Pitched to Wide Versatility At Plastics Exposition in New York

New York—Exhibitors at the 9th Plastics Exposition displayed thousands of plastic products and hundreds of machines to turn them out. Most of the booths were pitched towards versatility, and the general feeling of the crowd seemed to be that plastics would soon find their way into virtually every consumer and industrial product.

The show, which is held every 2½ years, underscored these trends:

- Companies are tailoring more and more plastics to meet specific applications.

- Manufacturers are busy broadening their lines.

- Competition should keep prices heading down.

- Polypropylene will be the next big poundage user—perhaps become the all-time best seller.

- Growth of the plastics industry will be at the expense of the metals.

Exhibitors polled by PURCHASING WEEK expected 1961 to show a return to the industry growth rate that prevailed before consumption leveled off last year. Allied Chemical's Plastics Div. market research experts forecast a 5%-10% rise this year. Even with 1960's relatively poor showing, consumption was up 33% over the '56 level.

The day is past when a supplier could offer only two or three grades of a specific plastic. Today the emphasis is all on versatility. Suppliers stress the fact that the user must take advantage of the variety of resins available if he is to get the best results.

Newer plastics are starting to take some jobs away from their older brothers. Manufacturers are hedging against shifting demands by putting up plants to make the newcomers. In many cases, sup-

pliers are working out special marketing arrangements with neighboring companies to assure a supply of the newer resins until the scheduled plants come on stream.

This broadening of product lines means a bigger choice of suppliers for the P.A. Three new ABS (acrylonitrile - butadiene - styrene) sources, two more acrylic makers, and half-a-dozen polypropylene suppliers, for example, are coming into the marketplace.

Harold F. Jones Wins NAPA's Shipman Award

Chicago—Harold F. (Hack) Jones, manager of the Basic Materials Div. of Du Pont Co. and former NAPA president, received the J. Shipman Gold Medal at the NAPA convention.

Jones, who began his career as a salesman, said, "The switch to purchasing was not difficult to make. In both cases you must be an idea generator."

It was for the generation of ideas in purchasing education that Jones received his award. NAPA President-elect Russell T. Stark, chairman of the Shipman

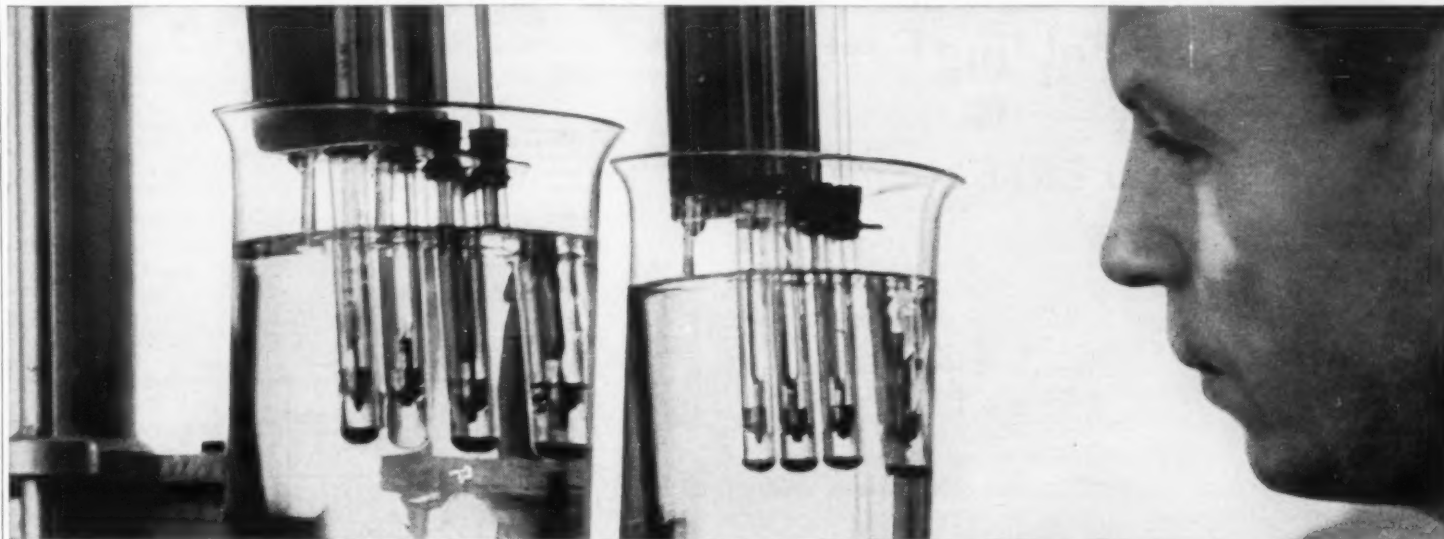
Award Committee, cited Jones' writings on purchasing subjects, including his role as editor of "The Purchasing Function," Section 1 of the "Purchasing Handbook" (McGraw-Hill Book Co., 1958).

Jones began his business career in the sales department of Westinghouse. After four years, "an opportunity opened at Du Pont in the purchasing department and I've never had a dull moment since."

President of the Purchasing Agents Assn. of Philadelphia in

1940, he was national director in 1948, District 8 vice president in 1949-50, and NAPA president in 1950-51.

His role in the growth of education programs within the association was highlighted by a three-year term as national chairman of the Committee on Education. In 1949, while chairman of the Development Committee on Education for local associations, he helped prepare the NAPA manual on "Purchasing Administration and Basic Policies and Procedures."



Dropping point test shows how greases react to heat. Beaker fluid has been heated to 390°F. All greases tested except Darina (second tube from left) have passed from solid to liquid state.

BULLETIN:

Shell reveals the remarkable new component in Darina Grease that helps it save up to 35% on grease and labor costs

Stark's Goal for NAPA: Building the P.A.'s Image

(Continued from page 1)

the dues increase will provide many benefits, including "better courses," planning programs with colleges, and generally working toward higher levels of achievement for the member in his purchasing career.

In public relations, the revised program will be headed by former President Paisley Boney. Stark sees public relations as an important cornerstone in his image-building aim.

Long a driving force in NAPA activities, Stark was district vice president in 1958-59, served as financial officer of the NAPA Executive Committee, and has held every office in the Detroit chapter. He is widely recognized as an authority on "purchasing as a career," and has stressed this concept at education seminars and in talks at colleges, associations, civic and industrial sales meetings.

Stark made his early mark in the field of cost systems, and auditing. In 1933 when he rejoined Burroughs, where he had begun his career, he was in material control and later production control.

Assigned to purchasing in 1944, he became director of purchases in 1950.

Darina® Grease is made with Microgel*, the new thickening agent developed by Shell Research.

Darina lubricates effectively at temperatures 100° hotter than most conventional soap base greases can withstand.

Read how this new multi-purpose industrial grease can help solve your lubricating problems and even save you up to 35% on grease and labor costs.

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What Microgel does

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Also, Darina resists slumping, thus forming a more effective seal against foreign matter.

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For details, see your Shell Representative. Or write: Shell Oil Company, 50 West 50th Street, New York 20, New York.

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A BULLETIN FROM SHELL
—where 1,997 scientists are helping to provide better products for industry

School for Strategists

This week 'School for Strategists' uses Games of Strategy to show you how to plot a campaign to get a blanket contract from a supplier, and how to win a battle over the luncheon check.

Your object in these games, prepared by PW Consultant John M. Owen, Jr., is to determine which strategy will bring about the most favorable outcome.

By employing new mathematical concepts—herewith reduced to a quick set of visual aids—you can achieve your object.

To understand how Games of Strategy are played and solved, first concentrate on the following concrete example:



Kraft Folding Cartons in stock—64 sizes!

Send for **FREE** sample

You may find the solution to some of your packaging problems in our expanded line of stock kraft folding cartons.

Inventories of stock boxes are maintained in 64 sizes, ranging from $\frac{3}{8}$ " x $\frac{3}{8}$ " x 1" to $5\frac{3}{4}$ " x 7". Buyers across the country are using them to package items ranging from electronic sub-assemblies, automotive and aircraft parts, to nursery products.

Stock boxes offer these special advantages:

LOWEST PRICES because of volume runs, standard fabrication.

FAST SHIPMENT—orders received before noon are shipped the same day.

YOUR INVENTORY MINIMIZED, because we keep the boxes until you need them.

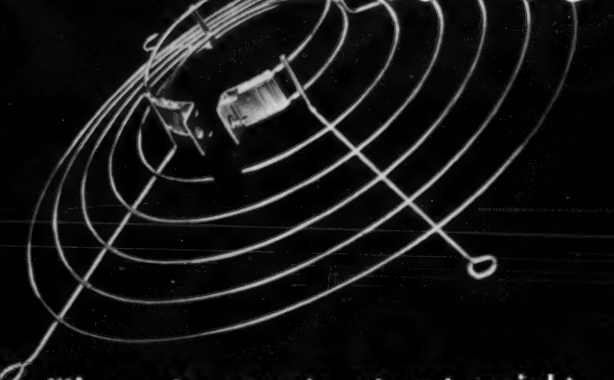
Write on your letterhead telling us the box sizes you're interested in for free samples and price lists.

Write:
STONE CONTAINER CORPORATION
Campbell Division
360 No. Michigan Ave., Chicago 1, Illinois



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E.H. Titchener

AND COMPANY
69 CLINTON STREET, BINGHAMTON, NEW YORK

Sample Problem

Two competing companies—Arnold Corp. and Byerson Corp.—want to bid on a contract. They are such bitter rivals that each even thinks of the other fellow's losses as his own gains. Here is their situation:

- If Arnold bids and Byerson does not, Arnold will lose \$2,000.
- If both bid, Arnold thinks he can gain \$1,000.
- If neither bids, Arnold thinks he's \$3,000 better off than Byerson.
- If Byerson bids, and Arnold does not, Arnold figures he's \$2,000 ahead. **What should Arnold do?**

- Sort his possible moves into two logical groups: 1) What happens if he bids, and 2) what happens if he doesn't. This is what you get:

	Dollar Value of Move to Arnold
Arnold bids, Byerson doesn't.....	-\$2,000
Arnold bids, so does Byerson.....	\$1,000
Arnold doesn't bid, neither does Byerson.....	\$3,000
Arnold doesn't bid, Byerson does.....	\$2,000

- Now put the dollar value of each move in a box (called matrix) so you can inspect the situation. You want to solve it from Arnold's point of view, so write Arnold's moves at the left and Byerson's at the top, like this:

	Byerson Doesn't	Byerson Bids
Arnold Bids	-\$2,000	\$1,000
Arnold Doesn't	\$3,000	\$2,000

- Find the lowest value in each horizontal series, and the highest value in each vertical series. Here's what you get:

	Byerson Doesn't	Byerson Bids	
Arnold Bids	-\$2,000	\$1,000	-\$2,000
Arnold Doesn't	\$3,000	\$2,000	\$2,000*
	\$3,000	\$2,000*	



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4. Note that the figure \$2,000—starred for visibility—is common to both horizontal and vertical series. **THIS FIGURE IS THE STRATEGIC SOLUTION TO THE PROBLEM.** To put it another way: Arnold should not bid, and Byerson should. This is the sanest settlement for both.

Now try the two problems on the next page, using the same technique:

Problem I Fuzzy Fillers

Fuzzy Fillers, Inc., is a supplier of stuffing to the Lie-A-Bed Mattress Co. Lie-A-Bed would like Fuzzy to switch over a large portion of its production to Lie-A-Bed's needs. Fuzzy is willing, but insists that it get an exclusive two-year blanket contract. Lie-A-Bed would rather not be locked in with one vendor for two years, however, and until now has offered only a one-year non-exclusive contract. Fuzzy has been thinking about the offer, and is now ready to resume negotiations.

Here's how the situation looks to the two firms as they sit down at the bargaining table:

- If Lie-A-Bed holds out for a one-year contract, and Fuzzy yields on a one-year deal, Lie-A-Bed will have irritated a good vendor, but gained most of what it wanted. Score +4.

- If Lie-A-Bed holds out for a one-year contract, and Fuzzy insists on a two-year exclusive contract, the deal falls through, and Lie-A-Bed loses face, besides. Score -3.

- If Lie-A-Bed yields, and accepts a two-year contract, when Fuzzy actually would have been willing to take a one-year deal, it's a loss of -3.

- If Lie-A-Bed yields on the two-year contract, and Fuzzy holds out for a two-year blanket deal, Fuzzy has Lie-A-Bed locked into an exclusive deal. Score -5.

Here's how the payoffs line up to Lie-A-Bed's P.A.:

	Value to Lie-A-Bed
Lie-A-Bed holds out for one-year contract; Fuzzy yields, and accepts the terms.....	+4
Lie-A-Bed holds out for one-year contract; Fuzzy insists on a two-year commitment..	-3
Lie-A-Bed yields and accepts two year deal; Fuzzy yields, accepts one-year contract...	-3
Lie-A-Bed yields and accepts two-year contract; Fuzzy holds out for two-year deal.	-5

Now using this information and the pay-off box below, fill in the numbers for each of the strategies, and figure out what the P.A. at Lie-A-Bed should do?

	FUZZY FILLERS YIELDS	FUZZY FILLERS HOLDS OUT
LIE-A-BED HOLDS OUT		
LIE-A-BED YIELDS		

(Answer on page 52)

Problem II Impressing the Buyer

Two salesmen, Pierce and
(Continued on page 49)

Materials Management Issue Fanned Anew

Chicago — A University of Wisconsin professor fanned the old purchasing-vs.-materials controversy at the NAPA convention.

Prof. William P. Stilwell, assistant director of the University's Management Institute, contended that unless purchasing men believe in the materials management concept, they are not thinking in the language of top management.

The cost-profit squeeze is forcing more and more companies to look at materials management as a possible answer to their profit problems, Stilwell said. Those who think materials management is "bad for purchasing," he argued, are misplacing their emphasis by stressing purchasing as a distinct profession and not as a part of the "management team."

Stilwell conceded that the purchasing man is the most likely candidate for materials manager because of his knowledge of materials, markets, prices, manufacturing processes. But he warned that other men—from production, accounting, engineering—are getting materials management jobs because "men in those activities are widening their horizons and are doing broader management thinking."

On the basis of his studies, Stilwell classifies 20% of those

actively engaged in purchasing positions as fulfilling the professional status of manager. Another 15% have technical skills of the buyer category, while 65% fall into the clerical category, he said.

Stilwell criticized P.A.'s who believe that a purchasing manager's objectives should lie solely within purchasing and that this purchasing is a means to an end.

"Materials management does appeal to the purchasing agent who regards purchasing as part of management," Stilwell said.

"Thus he is starting to think, or already is thinking as a professional manager, not as a professional purchasing agent."

Stilwell urged P.A.'s to place less emphasis on purchasing manuals, procedures, and forms and concentrate on administrative and managerial areas.

To back up his contention that the "materials management concept revolution is here," Stilwell pointed to the growing concern of companies with materials cost whereas major emphasis in the past was on production.

U.S. Rubber, Union Reach Contract Similar to Firestone, Goodyear Pacts

New York—U. S. Rubber Co. has signed a new two-year contract and wage pact with the United Rubber, Cork, Linoleum and Plastic Workers. The agreement gives employees in the company's five tire manufacturing plants a 7½¢/hr. increase immediately and an additional 7¢ in 1962. The union had won similar pay hikes in negotiations with Goodyear and Firestone earlier this year.

The new contract also covers

employees in 12 U. S. Rubber plants manufacturing such diversified products as golf balls, footwear, vinyl resins, chemicals, and mechanical rubber. These employees received a raise of 3½¢/hr. this year, with another increase of 4¢/hr. scheduled for 1962. The company said the union accepted smaller increases in the nontire lines because of the intense competition in these fields from nonunion producers and from foreign manufacturers.

Strategy Games

(Continued from page 48)

Finch, are having lunch with Maxwell, a buyer. Maxwell's firm at present places most of its orders with Pierce's company, but Finch is trying to move in on Pierce's share. Pierce has the upper-hand in this situation since he is not the one who has to make an impression on the buyer.

Here is how the situation looks as the waiter presents the tab:

- If Finch and Pierce both go for the check (which comes to \$24) there is a two-thirds chance that Finch will "win" because he will be trying harder (since it's he who has to make the impression). Using expected value, this outcome would cost Finch ⅔ of \$24, or \$18.

- If Finch offers to pay and Pierce stalls, Finch definitely will get the bill—a score of —\$24 for Finch.

- If Finch stalls and Pierce offers, Finch gets a free meal at no cost.

- If Finch stalls and Pierce doesn't rush into the breach, Maxwell's not favorably impressed with Finch's hospitality—a score of —\$32 for Finch.

This is how the strategies look to Finch:

	Cost to Finch
Finch offers, Pierce offers....	—\$18
Finch offers, Pierce stalls....	—\$24
Finch stalls, Pierce offers....	0
Finch stalls, Pierce stalls....	—\$32

Now, using these payoffs, and the box below, figure what Finch should do when the waiter comes.

	PIERCE OFFERS	PIERCE STALLS
FINCH OFFERS		
FINCH STALLS		

(Answer on Page 52)

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P/W Reports on Resale Prices

Latest Auction Prices

MAY 9

Auction held at Oak Mfg. Co., Chicago. Auctioneer: Industrial Plants Corp., Chicago

Press-Rite 60 OBI geared press, 4-in. stroke (new 1953). \$1,850.

Press-Rite 30 OBI flywheel press, 2 1/4-in. stroke (new 1953). \$1,400.

Press-Rite 30 OBI flywheel press, 1 5/8-in. stroke (new 1953). \$1,250.

Farmco pneumatic arbor press, 4-in. throat, adjustable shut height, 160 tons. \$130.

Canco No. 6 flywheel press, 2 3/4-in. stroke (new 1953). \$1,100.

Rhenberg-Jackson rotary index arbor press, 7-station. \$325.

U.S. No. 9 slide feed with 7-roll straightener (new 1955). \$750.

U.S. No. 3 slide feed (new 1954). \$2,200.

Brown & Sharpe OG HS automatic screw machine, change gears. \$2,200.

Brown & Sharpe OOG HSE automatic screw machine, change gears. \$1,000.

Lipe-Rollway 87A pneumatic bar feed (new 1951). \$75.

Brown & Sharpe OO motor-driven magazine bar stock feed. \$175.

Pratt & Whitney Model C gearhead engine lathe, 16 x 54 in. with taper attachment, dial thread chasing, chucks, etc. (New 1950). \$6,250.

Hardinge 59 precision turret lathe, 6-position turret, collet closer and collets, cross slide, \$1,050.

Bradford gearhead engine lathe, 22 x 48 in. \$700.

Hendley yoke-head engine lathe, 16 x 54 in., taper, chucks, etc. \$425.

Hendey yoke-head engine lathe, 16 x 34 in., taper attachment, mike stop, draw-in attachment, collets, chucks. \$425.

Hendley yoke-head engine lathe, 16 x 34 in., draw-in, chucks. \$300.

South Bend bench lathe, 10 x 36 in., 19-in. centers. \$160.

Cleveland visual surface grinder, 18-in. projection screen, 6 x 18 in. work table. (New 1956). \$5,000.

Thompson 10 x 24-in. hydraulic surface grinder, 8 x 24 in. magnetic chuck with E-M rectifier and switch. \$2,700.

Reid No. 2 6 x 8 in. surface grinder. \$450.

Leach surface grinder, 6 x 12 in. (New 1950). \$300.

Crystal Lake 4 x 12-in. cylindrical grinder. (New 1953). \$1,450.

Norton universal 4 3/4 x 45 in. tool & cutter grinder. \$400.

Heald No. 70 internal grinder. \$325.

Boley 12-spindle drillpress with 11 drivers, 8 spindles. \$125.

Edlund 2-spindle 16-in. drillpress. \$25.

Cincinnati 32-in. heavy-duty drillpress. \$700.

Delta 14-in. production drillpress. \$40.

Walker-Turner 15-in. bench drill. \$50.

Allen 14-in. single spindle pedestal drill press. \$25.

Haskins Model M tapping machine, 7-in. throat. \$100.

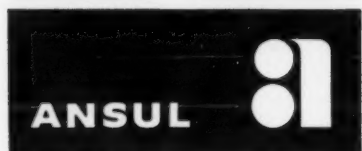
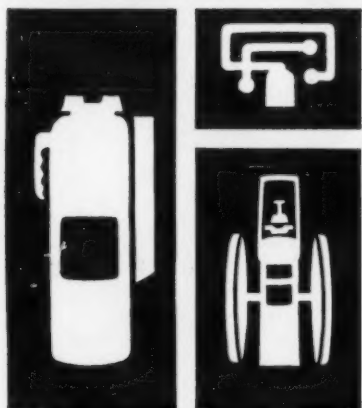
Brown & Sharpe No. 2 universal miller. \$850.

Brown & Sharpe No. 1 vertical miller, HS Milling head. \$300.

Cincinnati BG plain miller. \$150.

Ames bench-type vertical miller, swivel vise. \$170.

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2 3/4	x 2		x 2 1/4		x 3 3/4
	x 2 1/4		x 2 1/2		x 4
3	x 2		x 2 3/4	4 3/4	x 2 1/4
	x 2 1/4		x 3		x 2 1/2
	x 2 1/2		x 3 1/4		x 2 3/4
3 1/4	x 2		x 3 1/2		x 3
	x 2 1/4	4 1/4	x 2		x 3 1/4
	x 2 1/2		x 2 1/4		x 3 1/2
	x 2 3/4		x 2 1/2		x 3 3/4
3 1/2	x 2		x 2 3/4		x 4
	x 2 1/4		x 3		x 4 1/4
	x 2 1/2		x 3 1/4	5	x 2 1/2
	x 2 3/4		x 3 1/2		x 2 3/4
	x 3		x 3 3/4		x 3
3 3/4	x 2	4 1/2	x 2		x 3 1/4
	x 2 1/4		x 2 1/4		x 3 1/2
	x 2 1/2		x 2 1/2		x 3 3/4
	x 2 3/4		x 2 3/4		x 4
	x 3		x 3		x 4 1/4
	x 3 1/4		x 3 1/4		x 4 1/2

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the Vollrath Co.
 FOUNDRY DIVISION
 Dept. PW, Sheboygan, Wis.
 For sheet stainless steel items, drawn or spun, consult our Contract Sales Division.

Used Machinery Mart Continues to be Lively; Active Summer Seen

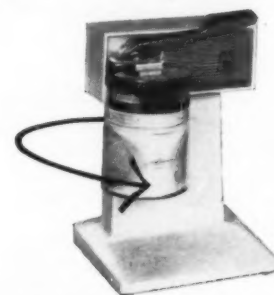
New York—Auctioneers report that purse-strings are loosening a bit as the outlook for industrial activity brightens. But buyers are being quite choosy. While they're willing to pay high for really good, late machines, they're unwilling to shell out for "junk" machines.

Contrary to tradition, this summer is shaping up as a really active one for industrial auctions across the country. Eastern auctioneers expect to avoid the usual summer doldrums with dozens of sales. And much the same holds true in the West and Midwest.

One reason for the unusual increase in number of summer auctions this year is that many companies, discouraged by on-again, off-again defense contracting business, are switching their plants over to production of proprietary items.

Result: An increasing amount of equipment used for defense contracting is going on the block.

Silent nylon gears drive can opener



Custom molded by CMPC

APPLICATION: Gear train and base for new Sunbeam electric can opener.

ADVANTAGES: Injection molded nylon gears deaden motor shaft sounds—operate smoothly and quietly. Nylon has high impact resistance and is self-lubricating. This permits high speed operation with little danger of heat build-up due to friction or lubricant failure. CMPC also injection molds the opener base, using Tyrol®, a tough, stain-resistant plastic.

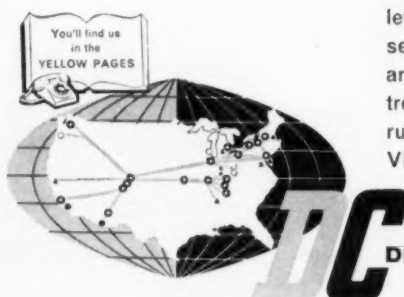
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Gould & Eberhardt back-geared 24-in. crank shaper. \$600.
 Gould & Eberhardt back-geared 20-in. crank shaper. \$700.
 Pratt & Whitney 6-in. vertical slotter, 20-in.-dia. table. \$1,050.
 Sleeper & Hartley Series 684 No. 0 universal spring coiler. (New 1957). \$1,400.
 Lepel 75kw high-frequency induction welder. \$500.
 Peer "Ace" 5kva spot welder, rocker arm. \$50.
 Larkin 5 kva rocker arm spot welder. \$125.
 Paasche air-finish, water-wash paint spray booth. \$90.
 Norton 15-in. lapping machine 16-in.-dia. adjustable head. \$375.
 United Shoe Model B eyeletting machine, 7-in. throat. \$160.
 Sunnen Model MA precision honing machine. \$230.
 Ideal box stitcher, 13-in. throat. \$180.
 Brown & Sharpe No. 5 hydraulic surface grinder, with Taft-Peirce chuck, feed table
 truing attachment. \$1,850.
 Artos Type AE-266 wire stripper. \$50.
 Hammond surface grinder, 6 x 18 in., Ex-Cell-O grinding spindle. \$725.
 Leach 6 x 12 in. surface grinder, dust collector. \$375.

MAY 4

Auction held at Reese Corp., Lancaster, Pa. Auctioneer: Industrial Plants Corp., New York.
 Brown & Sharpe OG Hi-Speed automatic screw machine, new 1951. \$5,000.
 Brown & Sharpe OOG High-Speed automatic screw machine, new 1951. \$3,000.
 Federal No. 5 OBI press, flywheel type. \$1,750.

Two V & O No. 3 1/2 OBI presses, flywheel type. \$300 each.
 Two V & O No. 2 1/2 OBI presses, flywheel type. \$350 and \$400.
 Cleveland No. 3 OBI, flywheel-type press. \$300.
 Zeh & Hahnemann OBI press, flywheel type. \$275.
 Four Johnson No. 1 OBI presses. \$225, \$275, \$175, \$300.
 V & O No. 01 OBI press, flywheel type. \$215.
 Bliss No. 18 OBI press, flywheel type. \$175.
 Reid 2B 6 x 18-in. surface grinder. \$650.
 Reid 6 x 18-in. surface grinder. \$275.
 Ingersoll-Rand FR1 horizontal single-stage air compressor. \$175.
 5-hp 2-stage air compressor. \$300.
 Delta 17-in. upright floor-type drillpress. \$300.
 Twelve 14-in. Delta bench-type drills. \$70 average.
 Walker-Turner 15-in. floor type drillpress. \$210.
 Excelsior 18-in. upright floor-type drillpress. \$210.
 Sidney 15 x 48-in. engine lathe. \$250.
 DaALL Model ML 16-in. bandsaw. \$1,400.
 Cincinnati Toolmaster milling machine, new in 1955. \$1,950.
 Three South Bend 9 x 24-in. bench lathes. \$300, \$375, \$575.
 Bostitch Model 14 stapling machine. \$60.
 Bostitch FC95 stapling machine. \$200.
 Cleveland automatic die casting machine, 400 ton capacity. \$2,600.
 Cleveland Model 50 die casting machine. \$2,300.

Coming Auctions

JUNE 15

Shelby Wood Products Co., Shelbyville, Ind.

Woodworking equipment.

WRITE, WIRE, PHONE: Norman Levy & Sons, Detroit.

JUNE 20

Alexson Blue Chip Engine Lathe Co., 999 Laurel, Hamilton, Ohio.

Plant facilities, machinery, manufacturing and distributing rights.

WRITE, WIRE, PHONE: Samuel L. Winternitz & Co., First National Bank Bldg., Chicago.

JUNE 20

East Side Metal Stamping Corp., Inc., 130 Elizabeth Ave., West Linden, N. J.

LARGE SELECTION PRESSES (Toggle, OBI, reducing, honing and arch), spinning lathes, trimming and wire lathes, toolroom equipment, sheet metal fabricating machinery.

WRITE, WIRE, PHONE: Machinery Auctioneering Corp., P.O. Box 1960, New Haven, Conn.

JUNE 21-22

Sparton Automatic Corp., Jackson, Mich.

Metalworking equipment.

WRITE, WIRE, PHONE: Industrial Plants Corp., 319 S. LaSalle, Chicago.

JUNE 22

I. L. Croft & Son, Castic Junction, Newhall, Calif.

Caterpillar Tractors, low beds, crane, scrapers, graders, paving equipment, Kompactors, pickup trucks.

WRITE, WIRE, PHONE: Jack Rouse & Son, 463 S. Robertson, Beverly Hills, Calif.

JUNE 27

Arrow Plating Co., Inc., 2155 West Wabansia, Chicago.

Plating equipment: vats, timers, trays, motors, generators, rectifiers.

WRITE, WIRE, PHONE: Norman Levy & Sons, Chicago.

JUNE 27-28

New Monarch Tool Co., 2724 Second Ave., Des Moines, Iowa.

Late model toolroom and metal fabricating equipment.

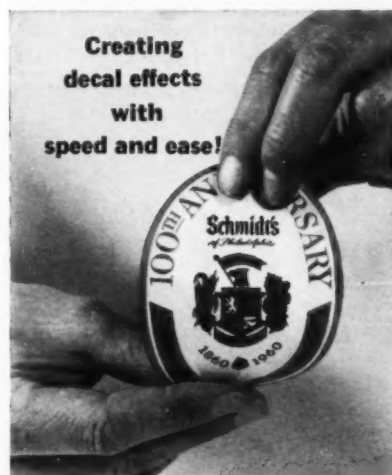
WRITE, WIRE, PHONE: Samuel L. Winternitz & Co., First National Bldg., Chicago.

More effective labeling and tagging!

Time was when most labels and tags were considered routine printing jobs. Those days are gone forever... The growth of self-service consumer buying has made top management realize the importance of tags and labels as selling tools at the point-of-sale... and increased the responsibility of the men who buy them.

Today, tag and label buyers look beyond first cost to the job to be done. They look for tagging and labeling techniques that increase point-of-sale effectiveness, meet difficult specifications or reduce over-all costs.

Naturally, many of these value-minded buyers look first to Dennison... originator of more new labeling and tagging techniques than any other single source. A few examples of problem-solving teamwork between buyers and Dennison are briefly reviewed here.



Beer and safety razor blades have little in common. Yet, both have profited from a labeling technique that speeds and simplifies decoration.

Schmidt's of Philadelphia celebrated its 100th anniversary as a brewer in 1960... with a Dennison split-top pressure-sensitive label playing a major role. Printed in three colors on transparent acetate and gummed with permanent Dennison PRES-a-ply® adhesive, it simulated a decal in appearance and clinging power. But, how different in application ease. No soaking in water. No sliding into position. Just a zip of its paper backing... a pat of the fingers... and there it was on an automobile or truck window. All of Schmidt's employees and distributors participated.

Gillette used the same labeling technique to redecorate thousands of counter cases when the Super Blue Blade hit the market with history-making impact in 1960. This Dennison PRES-a-ply label was printed in red, white and blue on transparent acetate to match the "price" spots already silk-screened on the glass cover of Gillette's full-line display case. Neatly and securely applied in seconds by finger-tip pressure, it saved time and bother for Gillette salesmen as they made their pre-promotion rounds.

Other users of this PRES-a-ply labeling technique find it the quickest, easiest way to add new prices, premium offers and

other promotional or variable information to existing packages or displays. High-speed Dennison PRES-a-ply label dispensers keep application costs amazingly low.

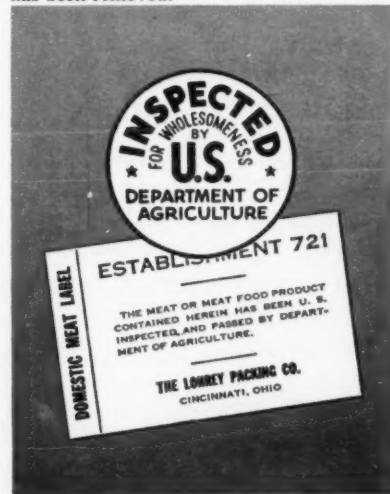
Giving "Easy on" labels extra "Stay on" power!

Few users of labels must meet such demanding specifications as meat processors. For, the US Department of Agriculture, a strict task master, insists on meat products being permanently labeled according to its regulations for consumer protection.

Cryovac film packaging of poultry, for example, calls for the application of a USDA inspection label after the film has been shrunk tightly around the bird in boiling water. The labeled package is then subjected to hours in a deep freeze. Yet, the label must remain 100% tamper-proof. For a Tennessee processor, Dennison supplied a pressure-sensitive label with such permanent adhesion that it cannot be removed without detection. To the customer's delight, the USDA inspector gave his complete approval not only for use on Cryovac film but also on waxed paper overwraps and waxed board boxes.

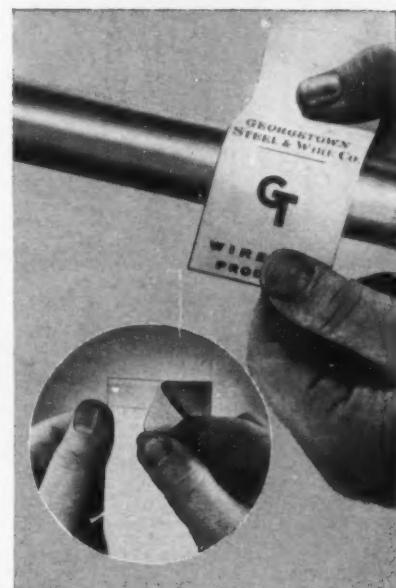
This same Dennison PRES-a-ply labeling technique is also bringing The Lohrey Packing Co. of Cincinnati and other federally inspected meat packers the benefits of strong adhesion. USDA regulations specify the labeling of stainless steel trucks and containers for meat and meat products. Each time a truck or container is emptied, it must be thoroughly steam-cleaned before re-use. Previous labels washed off after each use and often clogged drains, causing costly plumbing bills.

Dennison solved the problem by supplying PRES-a-ply labels with an adhesive so strong that even steam cleaning could not take it off! Printed on water-proof stock with grease-proof ink and over-varnished, these labels survive 40 washings! The Lohrey Packing Co. no longer has to worry about continually reordering and applying labels to their containers. A big headache has been removed.



If you need labels that will stay on through steam cleaning, freezing or any other harsh environment—you need permanent PRES-a-ply.

New stringless technique slashes tagging costs!



A stripe of self-sticking adhesive on the back of the tag is now replacing the traditional string or wire in many cases.

This new tagging technique not only reduces attaching costs but also brings the benefits of tagging to products formerly considered impossible, impractical or difficult to tag.

With the self-sticking stripe on one end, as on the back of the Georgetown Steel & Wire Co. tag, you have a new wrap-around technique. It is now increasing the point-of-purchase appeal of such widely varied products as tools, home appliances, luggage and furniture. Other users apply these tags directly to doors, windows, lumber, trunks, tires, windshields and toys.

In-plant applications of this new technique employ couponed system tags for production, piece-work and inventory control.

NEW FACT FOLDER!

If you're responsible for getting more sales impact per dollar out of tags and labels or reducing over-all labeling and tagging costs, this free fact folder will prove invaluable to you. It describes techniques and shows samples that are now increasing sales and profits for some of America's most successful marketers. For your free copy, write directly to Dennison Mfg. Co., Dept. T291.



Dennison

Helping you compete more effectively

FRAMINGHAM, MASSACHUSETTS

Answers to Strategy Games on Pages 48, 49

Answer to Problem I

Lie-A-Bed should hold out for the one-year contract. This is because even though the deal might fall through altogether, it would be better than being locked into a contract with Fuzzy for two years on Fuzzy's exclusive terms. Here is how the matrix looks:

	FUZZY FILLS YIELDS	FUZZY FILLS HOLDS OUT	
Lie-A-Bed HOLDS OUT	+4	-3	-3*
Lie-A-Bed YIELDS	-3	-5	-5
	+4	-3*	

Answer to Problem II

Finch should offer to pay the check, no matter what Pierce does. This confirms what common sense would tell you—that he has to make a big

splash with Maxwell in hopes of getting a big order. This also is the right answer from a game theory point of view; he should offer to pay because this minimizes his costs at the safest level—\$24, as shown by the starred figure.

	PIERCE OFFERS	PIERCE STALLS	
FINCH OFFERS	-18	-24	-24*
FINCH STALLS	0	-32	-32
	0	-24*	

Beryllium Corp. Joining With United Technical Industries To Build New Plant in Utah

Delta, Utah—Beryllium Corp., Reading, Pa., and United Technical Industries, Murray, Utah, have joined forces to build a plant here for producing beryllium oxide.

Output of the plant, which will have an initial capacity of 30,000 lb. per month, will be used by Beryllium Corp. for the production of beryllium metal and its alloys. The oxide produced at the plant will be obtained from a deposit of beryllium-bearing clays discovered in the southwestern part of Utah last year.

The two companies said this will be the first time beryllium metal and its alloys have been produced from domestic raw materials. Up to now, the metal has been produced only from beryl ore, all of which is imported.

Beryllium is used in many fields, including business machines, electronics, aircraft, missiles, and space vehicles. It is lighter than aluminum and almost as strong as steel.

Beryllium Corp. and United Technical will share equally in the cost of the new plant and in the development and exploration of the beryllium clay reserves.

This Delrin part saved 20¢ per pump



Custom molded by CMPC

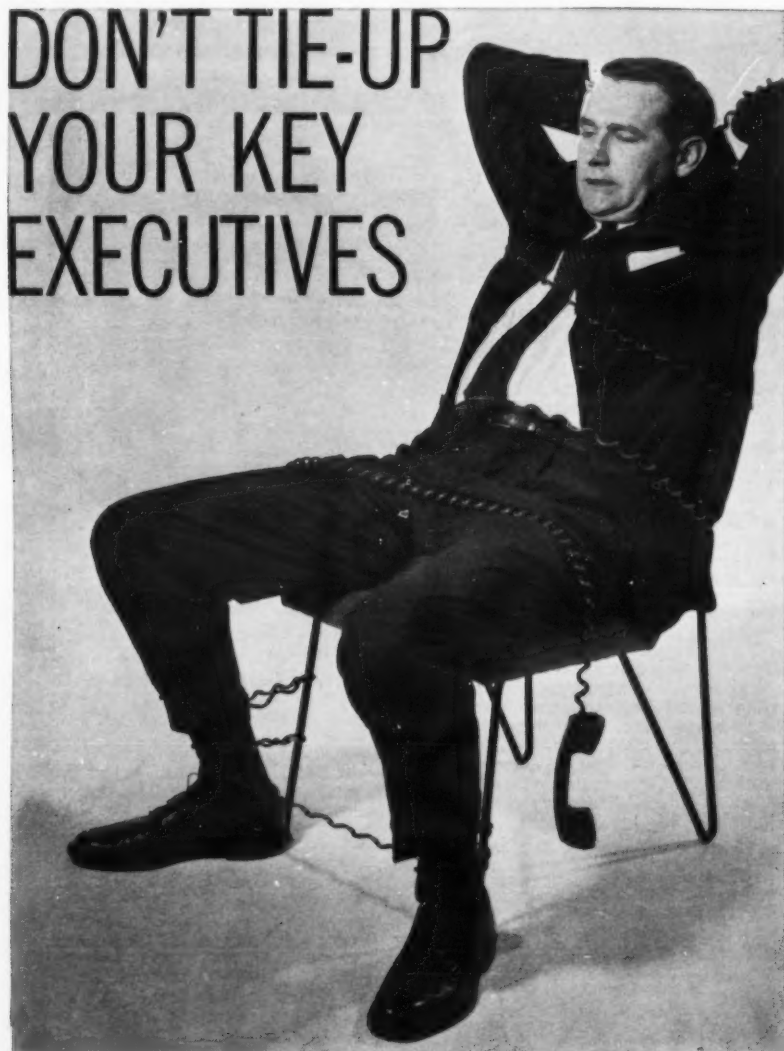
APPLICATION: Volute and venturi assembly for Clayton Mark "Mitey Mite" water pump. Brass and cast iron assembly replaced by injection molded Delrin.

ADVANTAGES: CMPC-molded part eliminates all machining operations... parts delivered production line ready at a per-unit savings of 20¢. Smoother Delrin surface reduces friction... increases pumping efficiency 5%.

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Natural Gas Area Prices Get Wary IOCC Nod

Houston—The area price policy for natural gas proposed by the Federal Power Commission has received the qualified approval of a special committee of the Interstate Oil Compact Commission.

In a report at the IOCC's mid-year meeting here, the group endorsed the policy provided it is "properly expedited and carried out," while warning that price differentials between areas could be detrimental to the industry. At the same time, the committee declared that the FPC's proposed dual price structure for new and old gas within the same area is illogical.

The IOCC committee took its stand on the basis of conservation rather than the actual pricing issues involved. It said area pricing would help state conservation programs by:

- Reducing the amount of

"Costly and wasteful" flaring of gas from oil wells.

• Helping to settle the uncertainty over price policies, thereby contributing to an atmosphere that would be "more conducive" to the investment of capital for exploration and development of additional reserves.

On the other hand, the report pointed out that a price differential between areas "could cause exploration and development capital to flow toward high-price areas."

The committee added that it

could find "no logical reasons" why new and old gas should have different prices. Under the FPC policy, newly discovered gas generally would carry a higher price tag than gas under existing contracts.

The IOCC group maintained, on the contrary, that "gas of the same quality in the same area, as delineated by the FPC, should demand the same price."

While it did not support the necessity of a national fuels policy study, the committee recommended that the IOCC and

member states cooperate if such a study is instituted.

However, the group urged strongly that the IOCC oppose "any policy that would seek to restrict or prohibit the use of any fuel for any specific purpose in any geographic area" because this would discourage exploration for new reserves.

Dominating the IOCC's mid-year meeting was the problem of market sharing between the member states which prorate petroleum production according to market demand and those which do not.

Texas Gov. Price Daniel, current IOCC chairman noted that Texas currently is limiting oil

production to eight producing days each month and that other market-demand states are doing the same.

"Those states which have not done so should realize that without this restrictive action on the part of leading oil producing states, their own oil industry would be ruined," he asserted. "We cannot long continue to restrict and reduce our production if it simply means that wells in other states will produce more."

There was no official answer from nonmarket-demand states, but the feeling among this group appeared to be that they are entitled to a larger share of the national market.

Arbitration Answer

The arbitration panel in "The Case of the Red Hot Pepper" decided that the P. A. was correct.

Ordinarily, the written sales contract acts as a firm tie upon the actions of buyer and seller. There are circumstances, however, under which an oral agreement, made at a later date, can change the conditions specified in the contract. But there must be strong evidence of the oral agreement.

In this case, the arbitrators said, there was. The P. A. had been prudent enough to note the facts in a memo and to send a copy of the memo to the seller. The arbitrators considered this memo, referring to extension of the entire contract, adequate evidence of an oral agreement.

The American Arbitration Assn. is a private, nonprofit organization that helps businessmen, management, and labor find peaceful, fair-minded solutions to their quarrels. Many contracts between buyers and vendors contain a "future dispute arbitration clause," directing that any controversy or claim be settled in accordance with AAA rules.

Services of the association in adjudicating disputes are available in key business and industrial centers across the country.

For further information, contact the AAA at its main headquarters, 477 Madison Ave., New York 22, N. Y.



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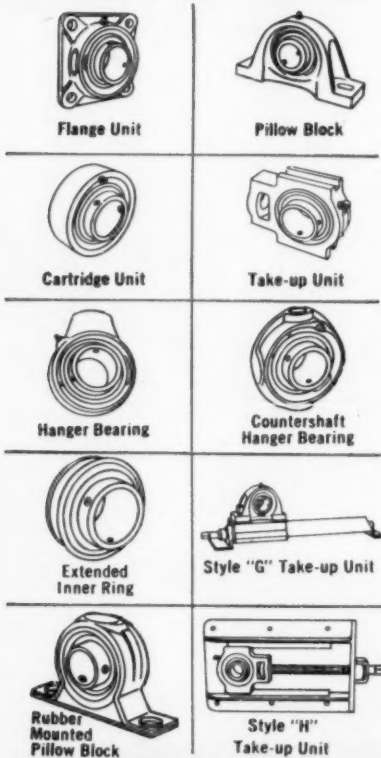
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Purchasing Week's Washington Perspective

General Electric President Ralph J. Cordiner has come out of his heralded public meeting with Sen. Estes Kefauver (D-Tenn.) virtually unscathed. His verbal exchanges with Kefauver and staff members of the Senate Antitrust and Monopoly Subcommittee last week became heated at times. But Cordiner refused to back down. He insisted that:

He had no knowledge of the part GE executives played in illegal price conspiracies, and such action certainly was not the company's way of life nor his.

He would not characterize GE as a "corporate disgrace" because of its record of antitrust violations, nor would he admit personal negligence for not spotting such violations sooner.

Cordiner disclosed during his full day on the witness stand that GE has started an investigation of its motor and electronic tube divisions. The subcommittee had suggested earlier that illegal price-fixing meetings took place among executives of these divisions, which were not involved in the Philadelphia court cases. Cordiner suggested that an inter-company educational program might be the best way to eliminate violations.

The Agriculture Dept. is taking a new look at its program of bartering surplus foods for foreign-produced metals. Many of the metals go into the U.S. stockpile of strategic materials. A number of metal traders have complained that the program is bogged down in government red tape, and should be transferred from the General Services Administration to Agriculture's Commodity Stabilization Office.

Officials have been meeting with traders in an effort to remove some of the complications from the program. They also are trying to determine whether new farm surpluses should be added to the list of those now being traded.

A new "single manager" approach for the purchase of common-supply items by the military is being worked out by the Pentagon. The plan will be announced soon. Under it, one military contracting agency will do all the buying of an item for all the services. It also will handle warehousing and other supply management functions. One of the first items likely to be consolidated: electronic replacement parts.

The move is a direct result of a recommendation by the Congressional Joint Economic Subcommittee on Defense Procurement, headed by Sen. Paul Douglas (D-Ill.). Last fall, it urged consolidated buying of common-supply items by the military, more advertised and less negotiated procurement, and an increased role for the General Services Administration in purchase of commercial-type products. Top Defense Dept. officials appear before the Douglas subcommittee this week to report on progress made.

The consolidation trend also is showing up in research and development. Specifications for one or two tri-service tactical fighter planes are being drawn, and the plan is to let one service award the contract.

The Civil Aeronautics Board has started a broad-scale analysis of air cargo markets and costs to help it do a better job of regulating rates. An air cargo origin and destination survey will give CAB a clearer picture of how the market is developing, particularly since the introduction of new jet cargo planes. An outside firm will analyze costs. The CAB hopes the study will enable it to work out a formula for defining costs, which it can use in passing on the reasonableness of rates.

Purchasing Week's Professional Perspective

(Continued from page 1)

From the Early Bird's Dinner to the fall of the final gavel Wednesday noon, the serious undercurrent was evident. The comedians got no belly laughs with their jokes, the meetings invoked no spontaneous questions from the floor, no spirited arguments were generated. The pros just sat there, listening and thinking.

And their thoughts boiled down to this: We got our fingers burned on forward buying. Prices aren't going to run away. Take the Metals Forum—a copper surplus is a possibility by the end of the year (the recent 2¢ price rise was only an attempt to recoup part of the 4¢ drop last fall), there's

plenty of aluminum, and if the boys get fresh you can buy foreign 2¢ cheaper; steel is fighting for its markets and would like to raise prices but doesn't dare.

Lined up against the purchasing pros were the sales boys. They sent the first team, too, and in good numbers. Many of them left their hospitality rooms to go to the meetings to see what was going on and why these buyers are acting so tough.

They found out that the bosses had passed the word "get those costs down" to the buyers, whereas their creed was "get the business, but at a profit". In short, the battle of the heavy-weights will go on.

Steel Prices Seen Steady Despite Cries for Hike

(Continued from page 1)
the prices of certain grades of strip by 1½¢ to 4¢ lb. (2½% to 5%); some extras also were cut or eliminated.

At the NAPA convention in Chicago, where steel salesmen appeared en masse, these latest price trimmings were explained as moves to bring published and unpublished prices more nearly into line. Smaller sellers, the steel people said, had been shading their prices, so the big-company cuts simply got the situation into the open.

Era of Minor Changes

P.A.'s listened to the steel talk with the growing conviction that they're in for an era of relatively minor price backing-and-filling, but no big, near-term upturn. Among themselves, the P.A.'s further talked up the points that 1) foreign steel will continue to be a price brake of sorts, and 2) so will competing materials, such as aluminum and plastics.

But as much as anything, the price prophets had their eyes on some new doings in Washington.

Here the Administration is getting ready to move against any steel price increase with a broad publicity attack. The Council of Economic Advisers is preparing studies which it hopes will justify the argument that no price rise is justified.

Productivity the Key

During the last three upswings in the economy in this decade productivity in the steel industry has increased about 10%. Part of the productivity came from technical improvements, part of it simply from increased volume which allows the industry to operate more efficiently. (The steel industry is more subject to fixed overhead than most industries; therefore it gains and loses efficiency more rapidly than most as volume rises and falls.)

If it can be shown that productivity can be expected to increase 10% this time too, the argument against a price hike

will be a strong one. The two automatic wage increases in the industry—one last December and the coming one in October—will push employment costs up only 6.3%, according to the industry's own estimates.

These studies by the council will be placed at the disposal of the President, who will use press conferences and other occasions to counsel against a price hike, and the President's Labor-Management Advisory Committee, a group of top industry-labor representatives. The committee met last week, but put over until next month any discussion of the problem.

As the Administration views the economy now, there are no built-in reasons why inflation

should occur. Demand is not going to exceed supply. Unused capacity plus plenty of manpower should be anti-inflationary forces. Thus, only wage hikes in excess of productivity and "administered price" pressures could cause inflation.

The Administration fears that a steel price boost, particularly if coupled with sizable wage boosts in the auto industry this fall, could start the wage-price line up again. With the international gold flow in only delicate balance, this could start another slow run on the nation's gold supply.

In all, the Administration wants somehow to get across to the public what it considers the nature of the inflation potential without getting too "scary."

REA Inaugurates Two Rate Plans Designed to Attract Small Shippers

(Continued from page 1)
terminated by the number of pieces in a shipment and total cubic volume times distance.

• **Container rates.** This plan sets rates for shipper-loaded small containers. The containers involved are 80-cu.-ft. wire mesh units with a maximum lading weight of 3,000 lb.

First application of the cube rates is on china or earthen tableware shipped from Syracuse, N.Y., to all points in the U.S. except Alaska and Hawaii. The new container rates cover abrasives and tape shipped from Albany and Troy, N.Y., to Detroit and Grand Rapids, Mich.

An REA spokesman said the company expects to broaden the two plans to cover other commodities and destinations within the near future.

Idea behind the cube rate plan is to reduce the cubic volume of shipments and the number of individual packages handled. Under the conventional commodity rates, REA explained, a common carrier's charges for shipments of a given nature, weight and distance do not differ,

although the number of pieces and cubic volume of the individual shipments may vary considerably. Therefore, shippers who provide lower piece counts and cubic volume are not given the advantage of lower charges consistent with the lower carrier costs their shipments incur.

With the cube rate system, however, the shipper who can reduce volume and piece number will be rewarded. Tariffs under the plan are based on a fixed charge of 7¢/cu. ft. per 100 mi. plus a charge which varies according to the number of pieces in the shipment.

The container rate is a great deal lower than even the REA incentive rates, which are based on a shipping volume of 10,000 lb. per day, the company noted.

For instance, the incentive rate per cwt. on a shipment from Troy to Detroit under existing commodity tariff schedules is \$6.54. For a shipment of 2,300 lb. this would make for a total cost of \$150.42—\$99.42 more than the \$51 which the shipper will be charged for sending a container over the same route.

Late News in Brief

P/W Prize Winner

Chicago—H. J. Newman, Allegheny Ludlum Steel Co., Pittsburgh, won the draw for the Polaroid camera at the Purchasing Week NAPA Inform-A-Show booth at Chicago last week.

Emery Industries Cuts Prices

Cincinnati—Emery Industries, Inc., cut prices of its azelaic acid by 3¢/lb. and its esters by 4½¢/lb. The company said the reductions were possible as a result of the increased production from its new \$6-million ozone oxidation plant which went on stream here last week.

6 Electrical Hardware Firms Indicted

Milwaukee—A federal grand jury here indicated six manufacturers of hardware for electrical transmission lines, charging them with fixing prices and maintaining noncompetitive distribution practices. The defendants: Hubbard & Co., Chicago; McGraw-Edison Co., Elgin, Ill.; Joslyn Mfg. & Supply Co., Chicago; A. B. Chance Co., Centralia, Mo.; Oliver Electrical Mfg. Co., Battle Creek, Mich., and Utilities Service Co., Allentown, Pa.

Tin Council Spikes Price Rumors

London—In an attempt to quash persistent rumors that the ceiling price of tin may be raised from £880 to £1,000, the International Tin Council formally announced that the proposal was not even discussed at its May meeting. Under the present tin agreement, the manager of the buffer pool is required to start selling any time the market price rises above the £880 level.

Zinc Shipments Up

New York—Shipments of Prime Western zinc in May amounted to 79,599 tons—the highest volume since March, 1960—the American Zinc Institute reported. The good showing was attributed to improved activity in the galvanizing industry and to gains in other zinc consuming industries, with the exception of die casting.

Bargain Hunters Buying More 'Junk' Than Ever, Quality Control Men Told

(Continued from page 1)
warned the delegates that quality goes back farther than inspection reports and that sampling plans have become "mathematical crutches" which are treated as ends instead of means.

"To control quality we want to get back to the people doing the job. Quality control managers must influence the company to get reliable materials, machines, tools, and testing gages. Finally, we need a well-trained manager with guts enough to insist on maintaining standards," Hallowell demanded.

Following the address came two vendor-vendee seminars that provided partial answer to Hallowell's charges. Both meetings covered how quality control managers can insure reliability from suppliers. All three speakers at these sessions underlined two common points:

• Quality failures usually can be avoided by establishing communication and mutual standards with the vendor via personal get-togethers early in a production run.

• Quality control should work through purchasing in establishing this understanding with suppliers.

At the first seminar Joseph H. Molnar, quality control manager for Houdaille Industries, Inc., pointed out that meeting with the suppliers is the best way to get an agreement on how to share the risk of material defects. In the Houdaille setup, rejected lots discovered by receiving inspections are returned to the vendor, but the cost of defects in any lots

once passed is absorbed by his company.

Frank Caplan, Jr., quality control manager for Westinghouse Electric's Atomic Energy Div., recommended that quality control teams meet with vendors to establish early understanding on standards. Said Caplan, "Quality problems primarily come from the fact that the vendor does not know what you want. We try to get this information to him before problems arise."

At the second seminar Dorian Shainin, management consultant for Rath & Strong, Inc., outlined a full-scale program for streamlining defect prevention and defect correction, but stressed that prevention is far more important.

Freight Problems High Among P. A.'s Worries

(Continued from page 1)
centage down," he pointed out.

By way of aspirin for the headache, P.A.'s say they are:

1. Doing more shopping around among shippers.

2. Working much more closely with company traffic departments. One P.A. from a major tobacco company put it this way: "A lot of buyers never thought about transportation costs before; now they're trying to develop better working arrangements with the transportation department."

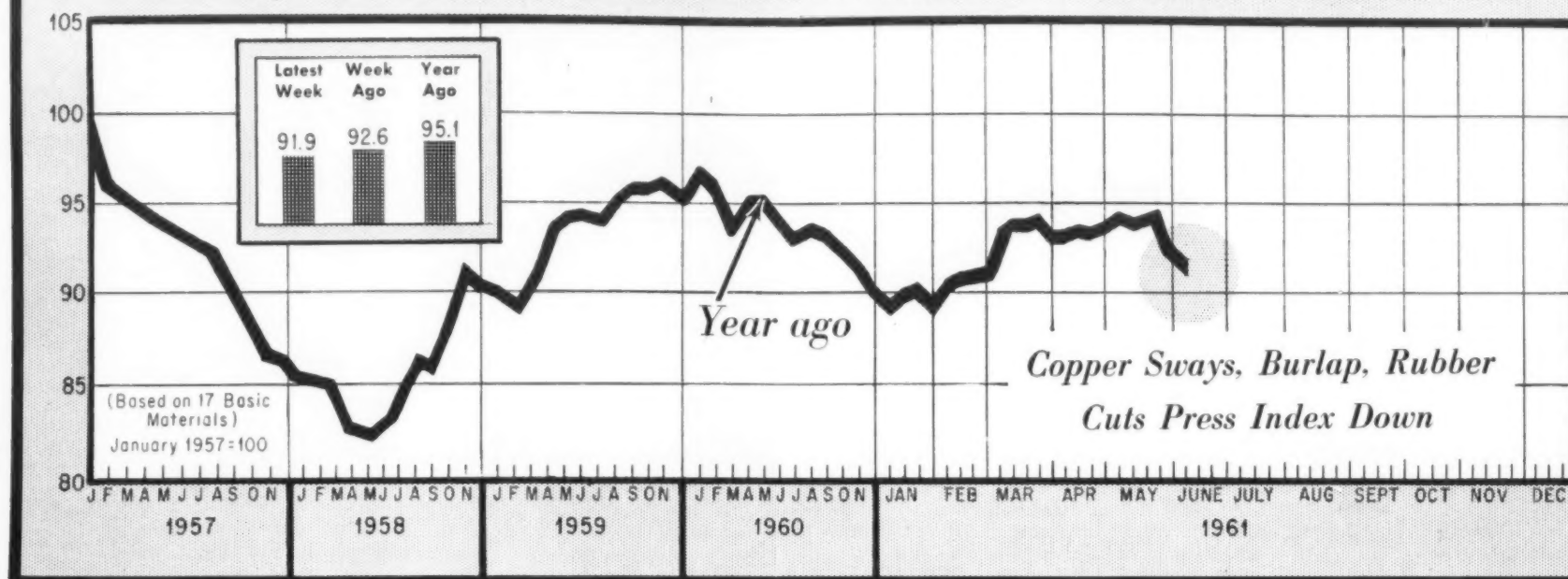
3. Threatening to go into private trucking with leased vehicles. This avenue seems particularly inviting to companies with widely scattered plants.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Molybdenum chemicals, ammonium Molybdate, 15,000 lbs. min., lb.	.13	\$1.35	metal hikes
Molybdic acid, purified, lb.	.10	\$1.15	metal hikes
Sodium molybdate, tech., anhyd., lb.	.10	\$1.02	metal hikes
Alkali blue toner, lb.	.03	\$1.30	
Antimony pentachloride & trichloride, Hooker, lb.	.025 & .035	....
Gasoline, Chicago, Standard Oil, dlr. tnkwgn., gal.	.06	....
Asphalt tile, black & brown, July 1	3.4%	....	incr. costs
Manganese sulfate, 75%-78%, bulk, ton	\$10.00	\$80.00	
Tin salts, potassium stannate, lb.	.004	.827	metal hikes
Sodium stannate, lb.	.005	.691	metal hikes
Tin crystals, anhyd., lb.	.006	\$1.068	metal hikes
Paradichlorobenzene, Allied Chem., crlts., lb.	.01	.13	improved demand
Acetonitrile, crlts., lb.	.02	.375	
Tall oil fatty acids, Hercules, July 1, lb.	.015-.02	....
REDUCTIONS			
Gasoline, E. Coast, pts., Mobil, Esso, dlr. tnkwgn., gal.	.003 - .016	....	competition
Seamless black line pipe, api gr. X-52, 6 3/4"-12 3/4" OD, U. S. stl., mill price, crlds., net ton	\$18.00	....	competition
Stainless steel sheet, to 1 ft. wide, Armco, gage & width extras, lb.	.005 - .0325	....	competition
High density polyethylene, molding, insulation, film, & specialty grades, lb.	.03 - .05	....	competition
Oil-country pipe, to jobbers, U. S. Stl., Republic	4%	....	competition
DDT, flake & powdered, crlds., lb.	.02	.21 & .22	
Ethylene diamine, Union Carbide, crlts., lb.	.02	.40	incr. supply
Grease, white, lb.	.005	.07375	
Menthol, Brazilian, lb.	.15	\$7.60	competition

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

Price Perspective

	June 7	May 31	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.219	.218	.244	-10.2
Copper, electrolytic, wire bars, refinery, lb.....	.306	.306	.326	-6.1
Brass, yellow, (sheet) lb.....	.493	.493	.506	-2.6
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.116	1.112	1.010	+10.5
Zinc, Prime West, East St. Louis, lb.....	.115	.115	.13	-11.5
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.20	2.20	2.10	+ 4.8
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.47	+ 6.1
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.10	2.10	2.15	- 2.3
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount).....	.025	.035	.035	-28.6
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.115	.11	.116	- .9
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.111	.111	.109	+ 1.8
Kerosene, Gulf, Cargoes, gal.....	.093	.093	.09	+ 3.3
Heating oil #2, Chicago, bulk, gal.....	.088	.088	.085	+ 3.5
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.129	.13	.16	-19.4
Glycerine, synthetic, tanks, lb.....	.25	.25	.293	-14.7
Linseed oil, raw, in drums, carlots, lb.....	.167	.167	.168	- .6
Phthalic anhydride, tanks, lb.....	.195	.195	.165	+18.2
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Polystyrene, crystal, carlots, lb.....	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.50	13.50	14.00	- 3.6
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.076	.078	.059	+28.8
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.75	0
Bond paper, #1 sulfite, water marked, 20-lb, 16-carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.50	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+ 4.8
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+ .5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	115.00	115.00	124.00	- 7.3
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	125.00	125.00	137.00	- 8.8
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	85.00	85.00	88.00	- 3.4
Fir plywood, 1/4" AD, 4x8, dealer, cld, fob mill, msf.....	68.00	68.00	64.00	+ 6.3
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.123	.130	.121	+ 1.7
Cotton middling, 1", N.Y., lb.....	.344	.343	.342	+ .6
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.175	.211	-17.1
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.205	.205	.235	-12.8
Cotton drill, 1.85, 59", 68x40, N.Y., yd.....	.35	.34	.40	-12.5
Wool tops, N.Y., lb.....	1.545	1.550	1.410	+ 9.6
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.185	.180	.210	-11.9
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.301	.314	.442	-31.9

† Source: Platts' OILGRAM Price Service ‡ Source: Engineering News-Record

TEMPORARY LULL—Metal demand, seems to be leveling off after a brief spurt.

The approach of summer, with its vacation shutdowns and the usual lower rate of production activity, indicates that the next big sustained spurt may not occur until after Labor Day.

In copper, for example, buying is reported as only fair—nothing like the big surge of last month which helped push the copper tags up from 29¢/lb. to 31¢/lb. And brass mill demand seems to be following suit, with both orders and shipments for June not expected to show the same sharp monthly gains reported for May.

The lack of any sustained spurt reduces the chance of another copper price rise. **Consensus is that the 31¢/lb. quote will hold through August, barring any major labor trouble in U.S. (Kennecott) and abroad.**

Steel also appears to be taking a breather after the initial recovery push. Thus, production has declined fractionally for two weeks—after 11 weeks of uninterrupted rises. With demand for 1961 cars starting to taper off, it's doubtful now whether production will exceed 75% of capacity until late summer or fall.

Recent price declines (in stainless steel, oil country pipe, and seamless pipe) are also viewed as a sign, by some steel analysts, of a **spotty demand picture, with no sharp across-the-board increases likely by next October.**

LABOR COSTS—Domestic manufacturers are more than holding their own with foreign producers in the key battle to keep costs within bounds.

That fact is sharply underlined by a new National Industrial Conference Board survey of unit labor cost trends in seven industrial nations. Major competitors such as England and Germany, for example, show up with much larger unit labor cost increases over the past eight years than reported by U.S. manufacturers. Only two nations (Japan and Italy) seem to have been more successful than U.S. in keeping these costs from climbing.

Much of the success of American industry can be explained by the fact that cost increases have been almost entirely offset by productivity gains—and hence unit labor costs have risen only fractionally. Thus the effect of a 30% boost in wage costs over the eight-year period (the smallest of any country studied) was cushioned by a 27% increase in productivity.

Contrast that to Germany where a huge 60% boost in wage costs overwhelmed a healthy productivity increase—and resulted in nearly a 20% rise in unit labor costs.

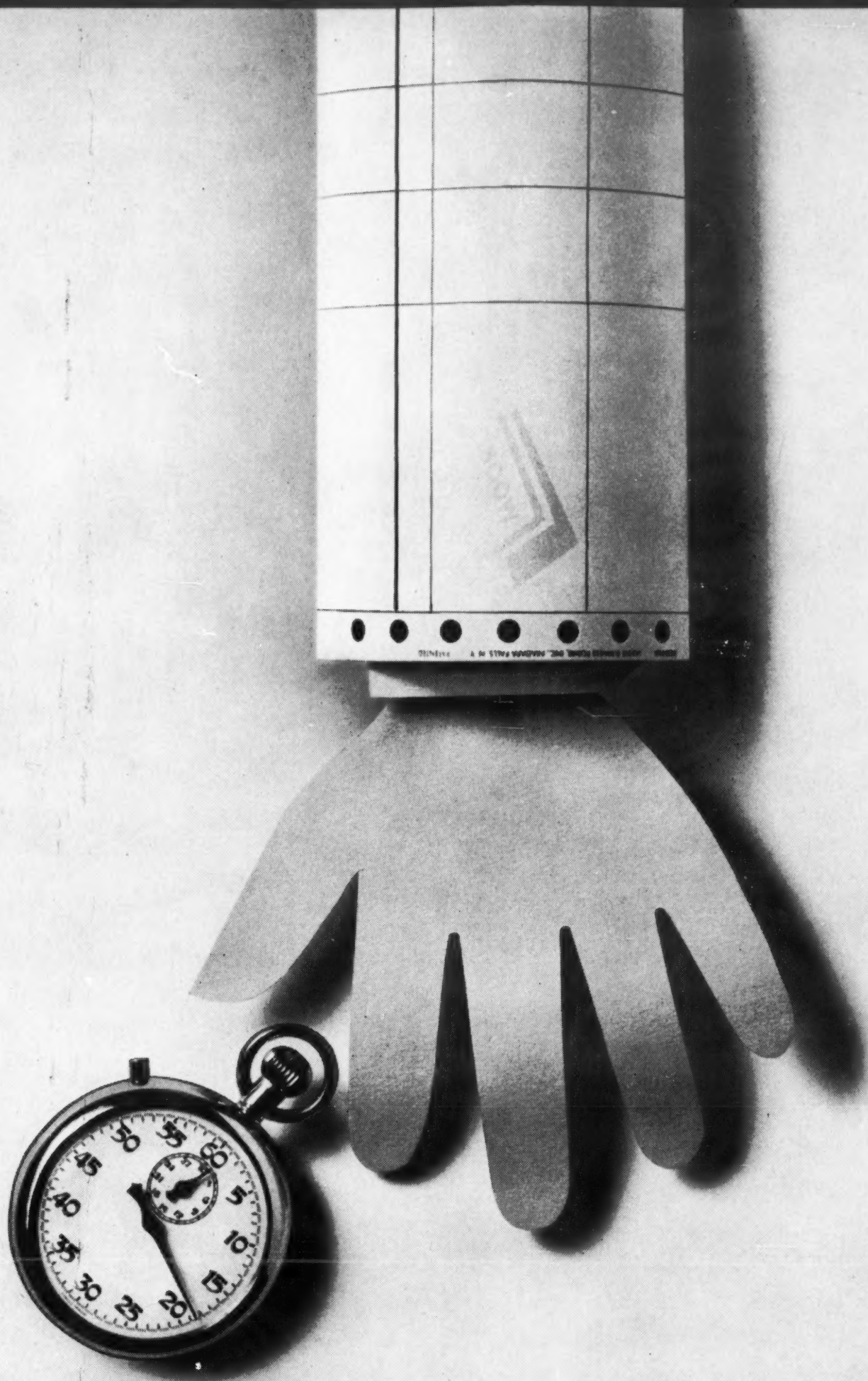
PRODUCTIVITY DIFFERENTIALS among the various countries are also substantial—according to the NICB study.

The survey shows, for example, that U.S. productivity growth rates remain quite low—something in the order of 3 1/2% per year in the manufacturing sector of the economy. England, with 2 1/2%, is the only country with a lower rate.

These rates are in sharp contrast to the performance of other industrial countries. Thus, Japan shows an 8% annual increase, and Italy isn't far behind with a 7 1/2% annual boost.

Such differences are not surprising, according to top economic experts. They note that the two countries showing the biggest gains (Japan and Italy) are still in the process of making the abrupt transition to a highly automated industrial system. Big productivity gains are to be expected during the transition period, with a gradual tapering off as the conversion to a machine-oriented economy is completed.

Meanwhile, there's little dispute that U.S. remains the leader as far as absolute productivity is concerned. All agree that actual volume turned out by a U.S. worker per unit of time is far above that of any other country.



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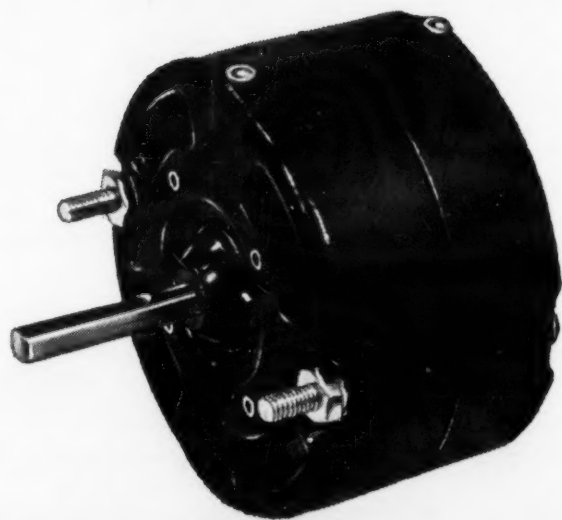


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